



THE UNIVERSITY *of* EDINBURGH

Edinburgh Research Explorer

Barriers to Mixed Use, Douglas Wheeler Associates with Ann Flint Associates Austin-Smith

Citation for published version:

Forsyth, L 2009, *Barriers to Mixed Use, Douglas Wheeler Associates with Ann Flint Associates Austin-Smith*. Scottish Government, Edinburgh. <<http://www.scotland.gov.uk/Publications/2009/09/03094938/0>>

Link:

[Link to publication record in Edinburgh Research Explorer](#)

Document Version:

Peer reviewed version

Publisher Rights Statement:

© Forsyth, L. (2009). Barriers to Mixed Use, Douglas Wheeler Associates with Ann Flint Associates Austin-Smith. Edinburgh: Scottish Government.

General rights

Copyright for the publications made accessible via the Edinburgh Research Explorer is retained by the author(s) and / or other copyright owners and it is a condition of accessing these publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

The University of Edinburgh has made every reasonable effort to ensure that Edinburgh Research Explorer content complies with UK legislation. If you believe that the public display of this file breaches copyright please contact openaccess@ed.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.



Housing, Regeneration and Planning



Barriers to Delivering Mixed Use Development

Final Report



BARRIERS TO DELIVERING MIXED USE DEVELOPMENT

**Douglas Wheeler Associates
With
Ann Flint Associates
Austin-Smith: Lord
Edinburgh College of Art
(School of Architecture-ScotMark)**

**Scottish Government Social Research
2009**

This report is available on the Scottish Government Social Research website only www.scotland.gov.uk/socialresearch.

The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

© Crown Copyright 2009

Limited extracts from the text may be produced provided the source is acknowledged. For more extensive reproduction, please contact the Queens Printers of Scotland, Admail, ADM 4058, Edinburgh EH1 1NG. Email: licensing@oqps.gov.uk

Table of Contents

1	EXECUTIVE SUMMARY	1
2	INTRODUCTION	5
3	DELIVERING MIXED USE DEVELOPMENT: CONTEXT	8
4	DEFINITION, PLANNING & PLACE-MAKING BARRIERS	16
5	DEAL STRUCTURE & FUNDING BARRIERS	23
6	OWNERSHIP AND MANAGEMENT OF MIXED USE COMMUNITIES	28
7	CASE STUDIES	34
8	SYNTHESIS OF FINDINGS	51
9	CONCLUSIONS & RECOMMENDATIONS	62

Appendices

- 1: Methodology Diagram
- 2: Acknowledgements: Individuals Who Contributed To The Research
- 3: Architecture + Design Scotland Formal Response
- 4: Local Planning Authority Survey Responses
- 5: Case Studies Profiles
- 6: Second Workshops: Ranking Of Emerging Recommendations & Suggestions
- 7: Research Team & Advisory Group

Tables

- Table 3.1 Literature Review: Correlation of Barriers to Mixed Use Development
- Table 5.1: Deal Structure Barriers Identified by Local Planning Authorities
- Table 8.1: Summary of Findings on Barriers & Significance
- Table 9.1: Implementing the Recommendations & Suggestions

1 EXECUTIVE SUMMARY

- 1.1 The Scottish Government Directorate for the Built Environment has taken forward this research as part of its role to oversee the planning system in Scotland and ensure that new development contributes to high quality places. The aim is not to remake the case for more mixed use development. There is already a general acceptance that mixing uses both at the scales of the neighbourhood and individual building can be valuable. They can help to produce more vibrant, adaptable and pleasant environments and to achieve sustainable places that minimise travel and support local demand for goods /services in a walkable catchment. Nevertheless, there is a general perception that the vast majority of local plan allocations and planning applications are for single use. Hence, there is a need to explore whether this perception is correct; identify why and where mixed use development has and has not occurred and to highlight barriers and the enabling factors.

Aims & Objectives

- 1.2 The principal objectives of the research were to:
- Identify factors that act as barriers to the delivery of mixed use development and which of these are the most significant;
 - Analyse how barriers differ depending on location, the mix of uses and the inclusion of different housing tenures;
 - Explore how the identified barriers can be addressed and what those interventions should be;
 - Review existing work regarding barriers to the implementation of mixed use development;
 - Explore whether the majority of development proposals and local plan allocations over the past decade have been for single use.

Research Methodology

- 1.3 The research methodology included a literature review, a series of stakeholder workshops to identify barriers and subsequently to review recommendations, an on-line survey of planning authorities and four case studies.

Research Findings

- 1.4 The barriers that have been identified overlap and are interrelated and this 'cross cutting' issue has implications for broadening the debate, knowledge and understanding of how to deliver more mixed use development.

Definition and local plan commitment

- 1.5 'Mixed use' is generally loosely defined but can encompass single developments with two or more revenue producing uses ('vertical' mixed use)

and mixed use neighbourhoods with significant physical and functional integration including real physical connections between uses within a five minute walk ('horizontal' mixed use).

- 1.6 It would not be appropriate however, to try to impose a standard national definition of mixed use but rather it is important to encourage local planning authorities, through the new development plans to adopt a clear and specific definition appropriate to the particular local context.
- 1.7 The strength of commitment to promoting and delivering mixed use development in local plans has been variable. Local planning authorities tend to "encourage" mixed use in local plans rather than "require" it and therefore could be in a weaker position in terms of negotiating for mixed use when planning applications are submitted. A local planning authority that requires mixed use may find that it is holding back development if it has not robustly assessed the market and this makes it harder to insist on mixed use in negotiating with a reluctant developer.

Planning and place making

- 1.8 The design process can be used to overcome many barriers and should be founded on four principles namely: establishing a clear shared vision of the mixed use development concept; actively working with partners; an effective masterplan; preparing a clear, costed and phased delivery structure and strategy.
- 1.9 Mixed use developments are perceived as more complex and slower to deliver than corresponding single function schemes because of the complexity of negotiating the planning and technical approvals stages. In reality both can be equally complicated. Community resistance to certain uses being co-located can however lead to difficulties and delays.
- 1.10 Delivering more and higher quality mixed use development will require relevant skills development in the public, private and third sectors.

Designing for mixed use

- 1.11 The requirement to consult widely on significant mixed use frameworks and masterplans is possibly a little more complicated, with more detailed involvement from additional agencies for mixed uses schemes, e.g. environmental health and fire. Different technical issues become critical at different scales of development with the greatest complexity being in mixed use designs where different functions exist within the same structure e.g. vertical mixed use. There is an increased risk in mixed use development that individual technical 'silos' magnify the significance of minor design issues. Therefore the ability to get together all interested parties in cross discipline technical workshops and cross department teams can assist in resolving problems quickly and developing a shared understanding of the complex inter-relationships.

- 1.12 Mixed use developments need to be designed for flexibility of function over time. In some cases developments start out as single use but are converted to mixed use as neighbourhoods mature. To enable this kind of temporal flexibility the built fabric needs to be robust and adaptable, with the critical technical design factors being; structure, services strategy, sound insulation, floor plan depth and section heights.

Deal structure & funding: model to deliver mixed use

- 1.13 Deal structuring was raised consistently as a significant barrier and local planning authorities recognised it was an issue. There is also limited knowledge of different models for delivering mixed use development.

Tenure & ownership structures

- 1.14 Tenure and multiple ownership are perceived barriers and not unique to achieving a successful mixed use development. Fragmented ownership is a particular issue where residential uses have been introduced into a mixed use development, as the flats and houses provided are generally sold off whilst commercial units may be retained by the developer and leased.

Managing mixed use communities

- 1.15 There is a potential barrier because of the difficulty of reconciling different environmental health requirements within a mixed use development. Addressing these issues at the early master planning stage is crucial. As a result of the more intensive use and extended use patterns, regular and high quality maintenance is even more important with mixed use development.

Conclusions & Recommendations

- 1.16 Table 8.1 summarises the Research Team's findings by highlighting the key factors that act as barriers to delivering mixed use development in Scotland. The Table also highlights which are the most significant and which can be addressed by public policy action.
- 1.17 Planning reform in Scotland presents an ideal opportunity to put in place appropriate interventions to deliver more and better quality mixed use development and this will require appropriate skills. In the current economic downturn there are likely to be very significant opportunities to stimulate and deliver appropriate mixed use development using new kinds of 'delivery models'. Local planning authorities in Scotland could adopt a more proactive role to sponsor, pilot, promote and deliver mixed use development projects.
- 1.18 Scotland could at this time use this research to start to lead the way in demonstrating how to deliver high quality mixed use development. The research has culminated in four recommendations and fourteen suggestions namely:

Scottish Government to enable provision of more proactive advice on how to deliver mixed use development & improve skills.

- 1.19 There is a need to refine the working definition of mixed use development, however, it would not be appropriate to adopt a standard national definition in Scotland because of the need to reflect the particular local contexts. Using an agreed definition would however also allow more robust and accurate statistics to be collected. Establishing a Scottish mixed use development web site with best practice case studies, relevant images and advice material is also suggested.

An initiative to promote delivery of mixed use development

- 1.20 The aim should be to be proactive and advocate mixed use development to local government officers and members, community councils, residents and business groups, to collect and share good practice and invest in resources, tools and research. Local authorities should audit their skills base to identify their particular training and recruitment needs. The Improvement Service and professional institutes like the Royal Incorporation of Architects in Scotland (RIAS), Royal Institution of Chartered Surveyors (RICS), Royal Town Planning Institute (RTPI) and others through CPD should deliver relevant skills development and training at the appropriate levels.

Enhanced advocacy role for Architecture & Design Scotland (A+DS)

- 1.21 It may be possible for A+DS to take on an enhanced advocacy role in promoting the delivery of mixed use development particularly in the context of planning reform and the economic downturn.

Encourage & pilot new approaches to deal structure: funding & managing mixed use developments

- 1.22 Exploring different models to deliver mixed use development and disseminating best practice will be vital. This includes the possibilities of using Planning Permission in Principle (from August 2009) with a Parameters Plan and then Area Planning Briefs. New models for funding 'up front' major infrastructure for larger, more complex mixed use developments (e.g. Tax Increment Financing) need to be considered. Amending business rates liability for new non-domestic properties within mixed use developments and aiming to better promote the use and benefits of the legislation that affects multiple residential ownerships are also suggested.

2 INTRODUCTION

- 2.1 The Research Team of Douglas Wheeler Associates with Ann Flint Associates, Austin-Smith: Lord (Urban Designers & Architects) and Edinburgh College of Art (School of Architecture-ScotMark) were commissioned on 15 December 2009 by Communities Analytical Services, part of the Housing and Regeneration Directorate of the Scottish Government on behalf of the Directorate for the Built Environment. The aim of the research is to understand what the barriers are to achieving mixed use development.
- 2.2 The Directorate has taken forward this research as part of its role to oversee the planning system in Scotland and ensure that new development contributes to high quality places. The aim is **not** to remake the case for more mixed use development. There is already a general acceptance that mixing uses both at the scales of the neighbourhood and individual building can be valuable in producing vibrant, adaptable and pleasant environments. Mixed use and mixed communities are seen as central to achieving sustainable places that minimise travel and support local demand for goods /services in a walkable catchment.
- 2.3 Nevertheless, there is a general perception that the vast majority of local plan allocations and planning applications are for single use. Hence, there is a need to explore whether this perception is correct; identify why and where mixed use development has and has not occurred and to highlight the enabling factors.

Aims & Objectives

- 2.4 The principal objectives of the research as set out in the Project Specification were to:
- Identify factors that act as barriers to the delivery of mixed use development in Scotland and which of these factors are the most significant;
 - Analyse how barriers differ depending on location, the mix of uses and the inclusion of different housing tenures;
 - Explore how the identified barriers can be addressed and what those interventions should be including their cost-effectiveness;
 - Review existing work regarding barriers to the implementation of mixed use development: including a review of existing literature and data;
 - Explore whether the vast majority of development proposals and local plan allocations over the past decade have continued to be for a single use.

Methodology

- 2.5 The Research Team developed a three stage methodology that is illustrated in Appendix 1: Methodology Diagram and worked closely with an Advisory Group that met on five occasions. The methodology is summarised below:

i. Identifying the barriers to delivering mixed use development

- 2.6 In order to identify barriers, a literature review was undertaken to establish the current state of published knowledge on the subject. This material was augmented by workshop based discussions about perceived barriers with stakeholder organisations (developers, house builders, partnerships, housing associations, property development consultants, and solicitors). The workshops were an essential step in confirming the range and significance of real and perceived barriers using the direct experience of practitioners in Scotland. The workshops were held in Edinburgh and Aberdeen on 15 and 16 January 2009 and attended by thirty one individuals. They canvassed opinions and views from a wide range of practitioners, covering experience in city, suburban *and* rural locations. (See Appendix 2: Acknowledgements). The workshops also identified some new barriers, not outlined in the literature, and started early discussions on how important barriers could be addressed.
- 2.7 Parallel to these steps, an on line survey of all local planning authorities in Scotland was undertaken to provide information on the extent of mixed use nationwide, mixed use policies in local plans and their implementation, views on barriers and skills/ training requirements. Nineteen responses were received from the thirty four local planning authorities giving a 59% response rate. The quantitative data (See Appendix 4: Local Planning Authority Survey Responses) provided a sound basis for subsequent phases of work and helped to identify the key issues for investigation. At this stage a number of follow up face to face and telephone interviews were undertaken with practitioners to discuss more detailed issues.

ii. Review and selecting the case studies

- 2.8 The initial review of barriers from the literature review, stakeholder workshops and interviews was refined and used to confirm the key issues and focus for the case studies. The four case studies were selected so as to provide a range of examples reflecting town and city locations as well as a geographic spread across Scotland. The case studies were also agreed by the Advisory Group from a long list of fifteen case studies and these were followed up with a more detailed analysis of published documents and web site material. The key issues; barriers to delivering mixed use and how they could be overcome were then discussed further through semi-structured interviews with a sample of key stakeholders focussing on the case studies. Key stakeholders gave their views and experiences on the identified issues but also suggested solutions.

iii. Expert synthesis and testing

2.9 At this point, the findings from the literature review, local planning authority survey, the stakeholder workshops, the case studies and the interviews were synthesized with the expertise of the team and the Advisory Group to clearly establish which the important barriers were and how they could be addressed through Scottish public policy action. A second series of stakeholder workshops was held in and Aberdeen and Edinburgh on 5 and 6 March 2009 and attended by twenty two individuals. (See Appendix 2: Acknowledgements) The second workshops tested the findings, initial recommendations, suggestions and the outcomes from the second workshops are reflected in the recommendations and suggestions of this final report.

Structure of Final Report

2.10 The remainder of this report is structured as follows:

- Chapter 3: Context
- Chapter 4: Definition: Planning & Place Making Barriers
- Chapter 5: Deal Structure & Funding Barriers
- Chapter 6: Ownership & Managing Mixed Communities Barriers
- Chapter 7: Case Studies: Evidence
- Chapter 8: Synthesis Of Key Findings
- Chapter 9: Conclusions & Recommendations

3 DELIVERING MIXED USE DEVELOPMENT: CONTEXT

3.1 This chapter summarises the context for the research on barriers to delivering mixed use development and outlines:

- The strong policy foundation for mixed use development;
- The new context for mixed use development in Scotland, in particular the implications of the Modernising Planning and Delivering Planning Reform agendas;
- The literature review; and
- Architecture+Design Scotland's experience on mixed use development.

Policy Foundation

3.2 The Scottish Government has a single overarching Purpose¹ and sees “sustainable economic growth” as critical to building a dynamic and growing economy that will provide prosperity and opportunities, whilst ensuring that future generations can enjoy a better quality of life. One of the Scottish Government's National Outcomes in support of this Purpose is the intention that ‘we live in well-designed sustainable places where we are able to access the amenities and services we need’. Consequently, Government policies on the built environment increasingly stress the importance of good design.

3.3 In the United Kingdom public policy has been an important foundation for mixed-use development since the 1990s, promoting it as a mechanism for revitalising town centres. In a Scottish context numerous policy instruments, for example², Scottish Planning Policy SPP 3 (Planning for Homes), SPP 8 (Town Centres and Retailing) and most recently Planning Advice Note (PAN) 83 (Masterplanning) have promoted the concept - some directly, others more obliquely. Effectively this has created a strong foundation of national guidance on mixed-use development.

3.4 There is already a general acceptance that mixing uses both at the scales of the neighbourhood and individual building can be valuable in producing vibrant, adaptable and pleasant environments. Yet a recurrent theme in the debate about mixed-use development is the suggestion that there exist a series of barriers or obstacles which are believed to prevent or inhibit delivery. This is the central focus for the research.

Modernising Planning Agenda & Delivering Planning Reform

3.5 Scotland's planning system is undergoing the most significant modernisation in over 60 years. The Planning etc. (Scotland) Act 2006 is a landmark piece of legislation. The changes to primary legislation in the form of the Act are

¹ <http://www.scotland.gov.uk/Publications/2007/11/12115041/0>

² SPP3: <http://www.scotland.gov.uk/Publications/2008/07/25092557/0>;
SPP8: <http://www.scotland.gov.uk/Publications/2006/07/26112710/0>
PAN 83: <http://www.scotland.gov.uk/Publications/2008/11/10114526/0>

part of the wider package of modernisation set out in the White Paper³. The Scottish Government aims to deliver a modern planning system that is efficient, inclusive, fit for purpose and sustainable.

3.6 In October 2008, 'Delivering Planning Reform' introduced a wide-ranging package of improvements to make Scotland's planning system leaner and fitter. The reforms build on work to improve efficiency and ensure planning is geared towards supporting increased sustainable economic growth which is particularly important in the current economic climate. Key measures include:

- Simpler and more transparent processes;
- Government agencies to focus increasingly on matters of genuine national interest;
- Scottish Government and agencies to publish annual reports on performance;
- Up to date development plans that provide investors and communities alike with greater certainty;
- Quicker decision making by councils on high-quality applications; and
- A new electronic planning system (formally launched in spring 2009).

3.7 Therefore this research and in particular the emerging recommendations and suggestions need to be set within the 'Modernising Planning' and 'Delivering Planning Reform' agendas with an emphasis on less prescription, letting local circumstances drive local decisions, innovation, disseminating good practice, developing skills and improving performance.

Literature Review

3.8 At an early stage in the research and in order to identify and reflect on barriers to the implementation of mixed use development, a literature review was undertaken. The literature review helped to establish the current state of published knowledge on the subject. Although **specific literature on barriers to mixed-use development was not found**, there was a group of publications that expanded on different problems associated with the delivery of mixed-use development and which mentioned, referred to or alluded to barriers. The literature review therefore has two parts. The first summarises the key issues from each of the main publications. The second tabulates the information from those documents and discusses barriers to mixed use development against a 'check list' of potential barriers identified from the Research Team's experience. The review then looked to establish whether there are any additional issues to consider and if there is any hierarchy according to the number of times particular barriers are identified. The concluding section reviews the key issues arising from this tabulation.

³ Modernising the Planning System': Scottish Government Publications (June 2005)

Key publications

3.9 The Scottish planning policy documents, referred to in the first part of this chapter, loosely define mixed use development as any form of sustainable development (excluding exclusively retail and leisure outlets etc. as directed in SPP8) that will contribute to the commercial, social, cultural and environmental vitality of the urban, suburban or rural environment. Mixed-Use Development, Practice and Potential⁴ confirms that there is an ongoing debate as to the obstacles preventing or inhibiting the delivery of mixed-use housing. To that effect a series of case studies was undertaken to evaluate the contribution of mixed use schemes with an extensive housing component in the revitalisation of town centres to determine what the obstacles to development were. It was found that the **obstacles to mixed-use were equally applicable to most other forms of development**. Further, that **differential tenure contributed to a reluctance to embrace mixed use**, and finally, that in response to planning policy, developers provided mixed-use development, thereby compromising profitability, since there was a **stronger market preference for single use schemes**.

3.10 Hoppenbrouwer and Louwe (2005)⁵, outline three conceptual forms of mixed-use which seem compatible with the Scottish Government's policies:

- Increasing the intensity of land use by a mix of forms and tenures of housing;
- Increasing the diversity of uses through compatible mix; and
- Integrating segregated uses by overcoming regulatory barriers concerned with environmental impact, noise and traffic.

3.11 The research does not directly discuss the barriers to mixed use, however, it does discuss mixed-use typologies (vertical, horizontal and time-based mixed-use) which in turn provides an insight into possible solutions to mixed-use delivery.

3.12 The Joseph Rowntree Foundation (2007)⁶ document on mixed-use streets indicated additional obstacles to mixed-use development due to changing socio-economic situations and the increasingly bureaucratic nature of the range of stakeholders involved in the creation and maintenance of the urban environment.

3.13 The Prince's Foundation for the Built Environment (2007)⁷ document acknowledges that a mix of uses does much to promote sustainable

⁴ Department for Communities and Local Governments/ODPM 2002, Mixed-Use Development, Practice and Potential, University of Westminster, Llewelyn-Davies, the Civic Trust and Pettersson Stafford

⁵ Hoppenbrouwer, E. and Louwe, E, Mixed-Use Development: Theory and Practice in Amsterdam's Eastern Docklands, European Planning Studies Vol. 13, No. 7, October 2005.

⁶ Joseph Rowntree Foundation 2007, Rediscovering Mixed-Use Streets: The Contribution of Local High Streets to Sustainable Communities, Jones, P., Roberts, M. and Morris, L.

⁷ The Prince's Foundation for the Built Environment 2007, Valuing Sustainable Urbanism: Measuring and Valuing New Approaches to Residentially Led Mixed Use Growth, Savills and English Partnerships

urbanism and confirms other definitions of mixed-use. Sustainable urbanism has three basic aspects: environmental, social and economic. An urban form which is environmentally sustainable enables its inhabitants to adopt a more ecologically aware, lower carbon lifestyle. In particular, a sustainable layout will enable people to walk to amenities, rather than be forced to use a car. The document makes it clear that a development that incorporates a mix of uses for land and property - business-related as well as residential - creates a community which is 'diverse, independent and adaptable'. The document states that the core issues in sustainable urbanism are reduced travel time, with an emphasis on pedestrian travel, public transport and mixed tenure. It describes the impediments to mixed-use development as twofold: the fear from developers, investors and landowners that sustainable urbanism with all its requirements is more **costly to plan and develop**; and secondly, **planning authorities are not adequately informed** as to the benefits (social, economic environment) of sustainable urbanism based on the principle of a mix of uses, to incorporate the ideas into their policies.

- 3.14 The Joseph Rowntree Foundation (2006)⁸ document focuses on mixed income communities and mixed tenure housing. Regarding barriers to delivery, **no evidence was found that mixed tenure communities lowered property values or affected marketability**, thus posing no additional risk to developers. Among the conclusions is the case for a clear assessment of local housing needs and market conditions to inform decisions about mixed tenure and also for an appropriate system of management between stakeholders and the local community.
- 3.15 The literature about implementing Living Over The Shop (LOTS) is limited. LOTS is often a local authority response to meet the demand for housing in town centres, the main objectives are: to convert the vacant upper floors of shops and houses into flats, to convert empty commercial properties into houses or flats and to renovate existing flats or houses. Obstacles to implementation include willingness of owners, tenure and access concerns over turning derelict commercial spaces into units for residential use, as well as the associated environmental concerns, noise etc. These barriers affect the viability of the projects, and to that end, certain local planning authorities and agencies like the Northern Ireland Housing Executive are prepared to award essential grants to help to gap fund and encourage schemes to come to fruition⁹.

Tabulation of references to barriers

- 3.16 Table 3.1 on the next page correlates a list of potential barriers identified by the Research Team from their experience and the first workshops against the barriers referred to in the literature reviewed above.

⁸ Joseph Rowntree Foundation, Mixed Communities: Success and Sustainability in Foundations: Analysis Informing Change, March 2006

⁹ http://www.nihe.gov.uk/index/hig_home/grants_available/living_over_the_shop_grant.htm

Table 3.1 Literature Review: Correlation of Barriers to Mixed Use Development

Potential Barriers To Delivering Mixed Use Development	A	B	C	D	E	F
Mixed use development involves more complexity (dialogue and negotiation) and therefore the decision making process is more complicated, time consuming, expensive and risky.	x	x	x	x		
Single use zoning contained in development plans does not encourage mixed use development and adds to the complexity of obtaining planning approval.	x		x			
Many local development plans are out of date and unlikely to reflect recent trends to encourage mixed use.			x			
The market demand for mixed use is limited and does not have sufficient volume/depth to deliver what is essentially a more limited niche market characterised by city centre loft living.						x
Institutional investors are reluctant to invest in mixed use schemes because they tend to offer poorer long term prospects and are typically not of sufficient critical mass to generate an acceptable profit.	x			x	x	
Mixed use development has inherent funding difficulties that will be exacerbated in the current 'credit crunch'/recession.						x
Conflicting activity patterns of different users within a building or neighbourhood are a barrier to quality development and compromise the individual components.	x	x				x
It is very difficult to reconcile the different environmental health requirements: noise, smell, refuse arrangements within a mixed use scheme.	x	x		x		x
An emphasis on housing can lead to a reduction in economic uses and so reduce employment potential.					x	
There are few inspirational examples of successful management of mixed use schemes.					x	
Additional potential barriers identified from the literature						
The market is not deep enough for mixed-use:	x					
Building regulations	x					
Member resistance	x					
Land assembly	x					
Developers don't like mixed-use development	x					
Value boundaries and transitional areas	x					
Listed buildings as a constraint	x					
Professional and stakeholder fragmentation				x		
Security				x	x	x

KEY

- A Mixed Use Development, Practice and Potential
- B Mixed Use Development: Theory and Practice in Amsterdam's Eastern Docklands
- C Valuing Sustainable Urbanism
- D Recovering Mixed-use Streets
- E Mixed Communities
- F Living Over The Shop

3.17 The literature review identified a group of publications that expanded on problems associated with the delivery of mixed-use development. Table 3.1 gives some overall indication of importance of potential barriers and illustrates that from nineteen potential barriers, thirteen barriers are

mentioned once, one is mentioned twice, three are mentioned three times and two are highlighted four times.

Architecture + Design Scotland (A+DS)

- 3.18 This section provides an overview of the A+DS experience of barriers to mixed use development. A+DS is regularly invited to 'design review' significant development proposals and therefore have some firsthand and relevant experience of reviewing mixed use developments. A+DS was established in 2005 as a Non-Departmental Public Body to act as the national champion for design quality in place-making and the built environment. In line with its role as outlined in SPP 20,¹⁰ and its subsequent Corporate Plan, A+DS has also advised Government regarding policy, engaged with local planning authorities, their project partners, clients, developers and professionals in public and private sectors on good architecture, design and planning in the built environment.
- 3.19 A+DS has provided a formal response (See Appendix 3) that draws heavily on direct evidence and experience gained through their design review, proactive role in advocating the benefits of good design and other activities. In summary, A+DS highlights that mixed use development is commonly regarded as desirable and that the concepts of mixed use and mixed communities are seen as central to achieving sustainable places. A+DS's experience is that there is a lack of detailed understanding of the subject amongst architects, planners and developers and therefore they welcome this research.
- 3.20 A+DS's recent experience is that the barriers to be overcome are varied and complex and they agree with the early finding from the research that there is no absolute definition of 'mixed use'. A+DS highlight that the term can be widely applied with varying connotations relative to scales of activity, and differing land use relationships. A+DS point out that mixes of uses exist horizontally and vertically but in their experience, often two or three adjacent pockets of single use are claimed to represent mixed use development but do not meet accepted principles of good place-making. The result is new developments that do not promote sustainable urbanism (see 3.13 above), pedestrian travel, public transport and mixed tenure and do little to contribute to the vibrancy of their component spaces and places.
- 3.21 A+DS have also noted that barriers to delivering mixed use development are often linked to economics with implications for land ownership, place management, short term development interest and long term investment strategies. These issues are considered in more detail in Chapters 4, 5 and 8. In A+DS's experience, private sector delivery is typically driven by 'what the market demands', historical data analysis and operator/user requirements. Mixed use proposals may be challenging, on the other hand single use projects are perceived to limit risk and as a result such thinking influences attitudes and the ambition to promote mixed use development.

¹⁰ www.scotland.gov.uk/Publications/2005/02/20748

A+DS highlight that it is not practical or desirable for everywhere to be 'mixed use', but the planning of places should contribute positively to creating cohesive mixed use environments. In A+DS's view, this confusion has created tensions resulting in "the negative impact of what are typically mono uses and edge of settlement places" like housing estates or business/retail/commercial parks. In the A+DS view these single use developments have adversely affected the vibrancy and vitality of established places.

- 3.22 Of the emerging themes from this research, A+DS's interests most closely associates with 'planning and place-making' and clearly there are other important themes focussing particularly on development economics and the property market that need to be reconciled in delivering mixed use development. These themes are explored in the more detail in Chapter 7. Barriers overlap however, and this has implications for broadening awareness of the topic, and for example how a skills and training programme might be structured. Here, it is possible to draw broad observations from A+DS's design review function. In relation to health and schools projects, reports have suggested that proposals might better integrate with their urban context. A+DS's comments relating to masterplan projects have advocated the benefits of mixed use which include ensuring activity at different times of day. Integrated mixed-use communities bring together residential, employment, retailing and other uses, along with easy access to good public transport connections and as result reduce travel time. In general, masterplans proposing single use zonings have been the least well received at design review.

Conclusions & Emerging Barriers for Further Consideration

- 3.23 This research needs to be set within the 'Modernising Planning' and 'Delivering Planning Reform' agendas with an emphasis on less prescription, letting local circumstances drive local decisions, innovation, disseminating good practice, developing skills and improving performance.
- 3.24 Mixed use development is commonly regarded as desirable and concepts of mixed use and mixed communities are seen as central to achieving sustainable places. Barriers to delivering mixed use development are often linked to development economics with implications for land ownership and place management. A+DS's interests most closely associate with 'planning and place-making'; however, barriers overlap and this has implications for broadening awareness of the topic, and for how a training programme might be structured.
- 3.25 The literature review identified a group of publications that expanded on different problems associated with the delivery of mixed-use development. From the spread illustrated in Table 3.1, A+DS comments, other contributions based on early interviews and the Research Team's

experience, the team has highlighted a series of barriers as being those which are referred to most often and therefore should be explored in more detail in the next stage of the research. In particular the series of barriers that was identified helped shape the discussions at the first two workshops. The following potential barriers were identified as most frequently occurring:

- 3.26 **Complex planning applications:** the planning application and decision-making process is complicated when applied to mixed-use development, takes a long time and discourages developers from considering such schemes.
- 3.27 **Differing environmental health requirements:** it can be more difficult to reconcile conflicting environmental health requirements - noise, smell, hygiene, etc. - within a mixed-use development scheme.
- 3.28 **Institutional investors are reluctant to invest:** mixed-use schemes tend to offer poor long-term investment prospects and are typically not large enough to generate the scale of profits sought in comparison with single use projects.
- 3.29 **Conflicting activity patterns:** conflicting activity patterns of different users within a building or neighbourhood are barriers to quality development and compromise the individual components.
- 3.30 **Single use zoning:** single use zoning contained in development plans does not encourage mixed use development and adds to the complexity of obtaining planning approval for mixed use.
- 3.31 It is also clear from the descriptions of the potential barriers in the literature and the Research Team's experience that there are many areas of overlap among the types of barriers mentioned. Therefore, to ensure that other themes not listed above are considered and for the purposes of clarity, the emerging real and perceived barriers have been considered in the next three chapters.

4 DEFINITION, PLANNING & PLACE-MAKING BARRIERS

4.1 This chapter presents the evidence on real and perceived barriers to delivering mixed use development focussing on definition, planning and place-making barriers. The evidence comes from the first stakeholders workshops in Edinburgh and Aberdeen, interviews, (See Appendix 2: Acknowledgements) and the survey of local planning authorities. (See Appendix 4: Local Planning Authority Survey Responses). In particular, this chapter considers the following issues:

- Variation in definition;
- Local plan commitment; and
- Planning and place-making issues.

Variation in Definition

4.2 Similar to the issues raised in the previous chapter, the first set of stakeholder workshops and interviews highlighted the wide variation in the definition of mixed-use development. This raised some doubts about using the term to describe a type of development. The finding confirms the research undertaken for Department for Communities and Local Government/ODPM in 2002¹¹ which concluded that the variation in definition is not a problem in itself, even though it raises doubts about the practical value of using the term 'mixed use development' to define a category or type of development when it evidently encompasses such a wide range of development.

4.3 The Aberdeen workshop highlighted that the variation in definition, however, does become a problem when the term is used too loosely. In some cases it has been used simply as a 'badge' which is attached to a scheme as a selling point or marketing theme, rather than being an essential part of its conceptual development. Attendees at the workshops highlighted examples where an important policy ambition is debased by a project that provides no real contribution to the character or vitality of a town or city centre.

4.4 The survey of Scottish local planning authorities confirmed this lack of definition. Of 44 policy extracts derived from local plans developed over the past 5 years and submitted and analysed as part of the survey of local planning authorities, over a third had no definition of mixed use (though some of these referred to other documents that were not submitted). Roughly another third of the submissions had a scant definition of mixed use e.g.

“providing sites for a variety of mixed use developments”

¹¹ Department for Communities and Local Governments/ODPM 2002, Mixed-Use Development, Practice and Potential, University of Westminster, Llewelyn-Davies, the Civic Trust and Pettersson Stafford

“non-residential developments which are compatible with residential use and do not conflict with other policies in the local plan will be supported within these areas.”

4.5 Just under a third did provide a greater degree of definition e.g.

“mixed-use with residential and office uses at upper levels.”

“an area within which the scale and character of individual uses is such that no single land use predominates. Retailing, business, recreation, open space, residential and industrial uses may all be represented.”

“mixed use areas may simply comprise the local service uses alongside residential and other uses which could include business, industry and open space.”

4.6 Just fewer than 10% of these policies could be said to provide a detailed description of mixed use and were generally describing the uses that would be required within a new suburb/neighbourhood centre and significantly, all came from the same local planning authority. These definitions ran to a page and a half of text.

4.7 The lack of an accepted definition also means that accurate statistics on the number, type and location of mixed use developments in Scotland is not recorded and collated even as part of the Planning Performance Statistics. This also makes the analysis of the Architecture + Design Scotland (A+DS) data base of design reviews more difficult.

4.8 As a response, and for the purposes of this research, the following **working definition of mixed use development, based on** ‘major development’ as defined in Scottish Government Planning Performance Statistics ¹² has been used:

- Major development in single ownership or being undertaken by a single developer with a focus on individual buildings, streets & neighbourhoods, areas developed by single developers where the aim is to promote a mixed community;
- Includes two or more revenue producing uses / activities including housing;
- Includes significant physical and functional integration including real physical connections between uses within a five minute walk; and
- The overall place-making result is a higher density, multi functional environment with vitality and attractiveness.

¹² Includes applications for ten or more dwellings, developments in Use Classes 2 and 4 to 6 where the floorspace to be built is 1,000 sq metres or more. Note the term ‘major development’ also has a meaning in the new planning hierarchy namely 50+ houses.

Local Plan Commitment

- 4.9 It seems there is a need to enable planners to be more specific and apply policies with more sophistication. Mixed use development is only appropriate in certain locations and these should be identified from capacity and market studies. One Edinburgh workshop attendee commented that:

“there is a fixation with mixed use but some sites/locations don’t have the footfall to insist on active mixed use frontages.”

- 4.10 Looking at the actual words used in the policy extracts submitted in response to the questionnaire, it can be seen that “encouragement” was more commonly used than “requirement”. If the planning authority uses the word “encourage” in relation to a site, then, the planning authority would be in a weaker position in terms of negotiating for mixed use when planning applications are submitted. On the other hand, a planning authority that *requires* mixed use may find that it is holding back the development of a site if it has not robustly assessed the market for the potential range of uses that might be suitable.
- 4.11 The use of statements and policies in a local plan to implement proposals on mixed use was most common but the identification of specific mixed use areas was almost as common. Masterplans and development frameworks were also very common tools used to achieve mixed use proposals. There must however be a question on what force the masterplan will have as secondary guidance, particularly where the masterplan may contravene some local plan provisions.
- 4.12 The survey showed that a median of 7.5% of major developments and 5% of new neighbourhood zones had been developed for mixed use. This figure can be used to derive an indicative estimate of the total number of mixed use developments nationally by multiplying the median by the nationally available figure of major developments (from planning authority returns). With approximately 2,000 major planning applications across Scotland per annum between 2004 and 2007¹³, this suggests that there will have been some 125 mixed use developments per annum.

Planning & Place-making

- 4.13 Planning authorities responding to the online survey were also asked to identify the barriers to mixed use. The results were scored and are detailed in Appendix 4: Local Planning Authority Survey Responses. Two planning related barriers were in the top ten and identified as most significant. These were the need to involve a large number of disciplines which can be a real barrier and the overall length of the planning application process. The issue of community concerns as a barrier was also raised and linked with the

¹³ Figures derived from “Planning Performance Statistics 2004-2007”
<http://www.scotland.gov.uk/Resource/Doc/210804/0055721.pdf>

issue of council members paying great heed to community objections. Planning authorities will have been working with minority objections to planning applications for many years and this is not a new issue. Aberdeen workshop attendees discussed this and felt that more advocacy about the advantages of mixed use and the concept of “vibrant” communities was also required to ‘engage the community’. The Scottish Government’s planning modernisation agenda proposals for more effective consultation could help to reduce the level of community concern about mixed use.

- 4.14 Examples of mixed use development provided by respondents to the online survey were also analysed. The majority of problems encountered were those that related to generic development and site issues and only a third of the problems encountered could be said to be specific to mixed use development. This generally accords with the literature review. The issues which did fall into this category included issues of providing parking for the secondary uses, noise issues where business and residential uses were adjacent; achieving the developer contribution to provide the secondary use and persuading the developer to release land for generally non-residential secondary use.
- 4.15 Clearly mixed use development is not appropriate in some locations and attendees at both workshops agreed that new development plans need to provide more specific guidance on where mixed use development is appropriate based on robust spatial planning and capacity studies undertaken by the local planning authority. Based on evidence from the workshops, it seems that local planning authorities do not often undertake extensive research in the form of market and capacity studies before identifying mixed use locations. Mixed use development however is not just about shops and services but should also include workshops, employment creation and integrated community uses. It was clear from both workshops that in most instances, mixed use is promoted as part of the local plan policy, or as part of vision and masterplan promoted by the local planning authority that is then to be delivered by the private sector.
- 4.16 A typical Scottish example of how a real barrier emerges would be an initial proposal for a new neighbourhood in the form of an urban extension. This planned mixed use project is then promoted as driven by sustainable place principles. According to some workshop attendees and A+DS, a combination of ‘historic analysis by property surveyors and conservative developers’ however can often present evidence to argue against this kind of mixed use neighbourhood and so this ‘evidence’ can become a significant barrier. As a result, the urban neighbourhood proposal is sometimes simplified and diluted into homogeneous areas of single use, linking to other areas of single but differing uses. In this example, a low to medium density residential scheme, with a fine grain mixed use neighbourhood centre with patchwork of different activities and horizontal and vertical mixing is often replaced by a scaled up local/neighbourhood supermarket serving a large catchment, set in an extensive car park. This is often then difficult to integrate into an overall neighbourhood scheme. A recent example in a city

context and sourced from the A+DS Design Review Reports Database¹⁴ is the emerging proposals for Bothwell Plaza in Glasgow where a full planning application for a mixed use office and hotel development for a city block, where fiscal and investment boundaries has in A+DS's view '*led to the separation of elements rather than addressing the city block as a separate entity*'. These issues are explored in more detail in Chapter 7.

- 4.17 In some instances local planning authorities use the term 'mixed use' in a local plan or development brief to link homogeneous areas of single use residential with single use employment areas. The aim is to ensure that the developer will deliver serviced employment land that is available for development as part of a commitment to mixed use development.
- 4.18 In the online survey; comments were also made about delays in commercial units being occupied as a result of the lack of market interest and proposals not based on a robust market justification and convincing development economics. There was also a view at both workshops that development planning culture and attitudes need to change to '*recognise the value of place*'. It seems that a significant barrier is that the skills required to promote and deliver mixed use are still lacking in the public, private and third sectors¹⁵. Delivering mixed use requires a lot more than land use planning skills and therefore skills development and training specific to mixed use development as a 'subset' of place making is required. Basic skills in, and some understanding of, the principles of deal structuring, joint ventures and development economics are increasingly essential for planners and urban designers.
- 4.19 From the promoter's or developer's point of view there is still a perception that mixed use development is likely to involve more complexity. This is because of combining the different uses and components and, as a result the overall decision-making process is likely to be more complicated, time consuming and risky. Those responding to the online survey of local planning authorities agreed that this was an issue. Respondents were asked to rate the difficulty of progressing mixed use developments from the initial concept stage to a start on site. A five point scale was offered with 1 being difficult and 5 being a very smooth and relatively quick process. Of the examples given, 40% scored 4 or 5 on this five point scale. There is no specific benchmark against which to make a comparison but as local planning authority respondents scored "Overall length of planning application process" as the 9th highest out of 30 barriers for local authorities and 8th highest for developers, the complexity of the planning application process does appear to be a significant issue for mixed use development.
- 4.20 Therefore, in order to assist in delivering mixed use development new development management approaches based on well researched masterplans and possibly more flexible outline planning permissions (being replaced by Planning Permission in Principle in August 2009) will need to be explored. Taking a longer term view, the built fabric and design solutions

¹⁴ http://www.ads.org.uk/what_we_do/design_review/reports

¹⁵ Voluntary and community groups, social enterprises, charities, co-operatives and mutuals

need to enable temporal flexibility so as to be robust and adaptable to accommodate changes in use over time and so overcome a potential barrier to sustaining a mix of uses in the longer term and extending the life of a development project. There is also likely to be a need to provide for more live/work units. The critical factors here are; structure, services strategy, floor plan depth and section heights.

- 4.21 Other options to be explored could include: promoting planning permission in principle with parameters and area planning or street block briefs; and even more flexible detailed consents that for example do not necessarily specify particular uses for individual units when they are part of a mixed use proposal. The aim here is to provide a 'smoother and more certain path' through planning for mixed use developments that are well conceived and have a coherent and well researched masterplan. In this context, the Scottish Government's planning modernisation agenda could offer an opportunity to identify where different approaches are most appropriate to overcoming what has been identified as a real barrier to delivering mixed use development.

Conclusions & Summary of Issues

- 4.22 A clear conclusion is that mixed use development is not just about shops, residential and services uses but also includes employment creation and integrated community uses. Secondly, mixed use development is only appropriate in certain locations that need to be identified from robust capacity and market studies. There is also a wide variation in the definition of mixed-use development that is used in Scotland. Therefore, a significant barrier is the identified need to enable planners and local planning authorities to be more specific on what is meant by mixed use, to specify appropriate locations for mixed use projects and apply mixed use development policies with more sophistication.

- 4.23 The key issues emerging from this chapter are as follows:

Issue 4.1: Definition of Mixed use

- 4.24 The evidence from the workshops and the survey of local planning authorities shows that the term 'mixed use' is loosely defined and therefore has different implications relative to different scales of place-making (individual building, street block, neighbourhood) and different land use relationships. The evidence from the survey of local planning authorities shows that Local Plans have often allocated parcels of land use in a loose and too simplistic way and without sufficient robust justification including market and capacity studies. There is in some cases a low risk and safety culture that results in bland land use allocations or lowest common denominator requirements like 'active retail frontage' that is then often not delivered because of lack of market interest or lack of enforceable planning guidance.

Issue 4.2: Planning & Place Making To Promote Mixed Use

4.25 'Modernising The Planning System' offers more opportunities, to promote good practice and appropriate skills and enable development planning to deliver mixed use development more effectively. Under the new system, development plans will need to be accompanied by action programmes setting out how planned development and the supporting infrastructure will be delivered and this should also assist in promoting mixed use development. There is also a need to look at the spread of uses across town/city/urban area, to promote clusters of higher density mixed use that are within a five minute walk and explore opportunities to provide for more live/work units¹⁶. Attendees at the first workshops also highlighted the need for public sector partners and agencies e.g. Environmental Health, Historic Scotland, SEPA, SNH, Scottish Water to understand and support the priority being given to mixed use.

Issue 4.3: Delivering Mixed Use: Skills Development

4.26 The skills required to promote and deliver mixed use are still lacking and need to be set within the place making agenda as well as providing an understanding of the principles of brokering mixed use deals and development economics. The response from the survey of local planning authorities on training shows that local authorities themselves clearly acknowledge a significant need for appropriate training. More than half of the local planning authorities who responded to the survey required more than four staff each to be trained in master planning, place making and development funding principles with slightly lower numbers of staff requiring training in partnership structuring and development management agreements.

¹⁶ Providing accommodation for living and working in the same building

5 DEAL STRUCTURE & FUNDING BARRIERS

5.1 This chapter presents the evidence on real and perceived barriers to delivering mixed use development focussing on deal structure and funding barriers. The evidence comes from the first set of stakeholder workshops in Edinburgh and Aberdeen, interviews and the local planning authorities' questionnaire. Specifically, the focus of this chapter includes:

- Deal structuring principles; and
- Funding mixed use development and up-front infrastructure

Deal Structuring: Principles

5.2 Workshop attendees agreed that structuring a deal to deliver mixed use development and organising funding were significant barriers. Local planning authorities, particularly the smaller authorities, may not have the in-house expertise and confidence to identify the key structuring principles of a more complex development agreement covering several different uses or a joint venture deal. Consequently, even if a local authority owned site is allocated for mixed use in a Local Plan, the local planning authority might struggle to progress the proposals and deliver the mixed use development. There was also a view that, in some cases, the private sector developers and their advisors over complicate mixed use development agreements.

5.3 Workshop attendees also agreed that mixed use developments, because of their potential scale, complexity and the involvement of more than one land use, were more challenging to fund. It seems that there is still some reluctance to fund among some institutions and investors but this has been improving, until the recent changes in the economic climate.

5.4 Another issue raised by participants at both workshops is that, traditionally, residential developers want to dispose of housing units immediately while commercial investors want to retain ownership and gain a long term return over several years. These different requirements need to be reflected in more sophisticated deal structures for mixed use development than for single use development. This appears to be a significant barrier. It was also pointed out at the workshops that funders/investors are still looking primarily to identify and promote single use investments:

'vanilla (mono) investment is seen to generate prime property values with only a few focal points that are busy areas of mixed use'.

5.5 Some occupiers also want single use developments or there is a demand from particular occupiers, driven by attitudes and legislation, to be stand alone: examples include supermarkets (with significant quantities of surface parking), schools and hospitals. Two responses to this might be to challenge these attitudes through more research to identify completed examples of

where more innovative schemes have been occupied and are successfully operating and also through more advocacy.

Funding & Up Front Infrastructure

- 5.6 At both workshops, attendees highlighted that, historically, land values for residential were higher than other uses and this is now changing. In January 2009, residential land prices in Scotland had fallen by 43% year on year, the largest year on year fall of all countries and regions covered by Valuation Office Agency data. In contrast, residential land prices in Scotland had nearly tripled between early 2002 and early 2008 (2.8 times)¹⁷. In their Residential Development Land Briefing Note, Savills¹⁸ comment:

"although lower land value does, in theory, allow land to be developed at lower residual site values, there are a number of constraints that explain why the land market has stalled completely. On urban land especially, once build costs, cost of remediation and infrastructure provision are factored in, many sites are likely to have negative land value in current market conditions. In many circumstances, existing or alternative use values will be higher than the option to redevelop."

- 5.7 Therefore, the closing of the gap between the different land use values could create opportunities for more and higher quality mixed use development. Although if a site has a negative land value then from the land owner's point of view there is very little incentive to dispose of land for redevelopment. This position was highlighted in the Clydebank Re-built case study in Chapter 7.
- 5.8 Workshop attendees pointed out that mixed use developments, because of their scale and complexity are often likely to require more up front infrastructure. Workshop attendees highlighted that in the current economic climate, with very limited demand and dramatically falling land values, Section 75 contributions¹⁹ and planning agreements cannot be seen as the source of capital funding for major infrastructure. This emerged as a significant barrier and therefore there is a pressing need to consider new models for funding up front major infrastructure for larger more complex mixed use developments: e.g. Tax Increment Financing or some kind of levy to fund community infrastructure. Tax Increment Financing²⁰ been used widely in the USA in cities like Chicago and the model uses future increases in tax revenues to finance current improvements such as new infrastructure that are expected to generate those increased revenues. In very simple terms it would, for example, enable a local authority to trade anticipated future tax income for a present benefit. TIF has been identified by the

¹⁷ http://www.voa.gov.uk/publications/property_market_report/pmr-jan-09/residential.htm.

¹⁸ Savills, Residential Development Land Briefing Note, January 2009

¹⁹ Section 75 contributions are payments in cash or in-kind from property developers generated as a by-product of the planning system operated by a Council

²⁰ Tax Increment Financing: A New Tool For Funding Regeneration In The UK, British Property Federation, November 2008

Housing Supply Task Force²¹ and is now being actively promoted as a proposed as new model for funding infrastructure in Scotland.

5.9 The issue of funding commercial uses in residential areas was identified by attendees at both the workshops. This may be a particular issue in a social housing regeneration area where land values for a residential unit will be for example around £30,000 whereas the land value of a commercial unit will be zero or negative. In this context, shops in such areas are unlikely to afford to pay market rents that ensure an economic return for the developer and this will be reflected in the lower or negative land value for retail land use. Housing Association Grant (HAG)²² funding for commercial uses is not available so a number of housing associations/RSLs have set up subsidiaries to develop non-residential uses. However, there is limited scope here for seeking private funding as, under BASEL rules on capital ratios and under Financial Services Authority Regulations building societies have to reserve three times the level of capital against commercial lending as they reserve against residential lending²³. As a response the possibility of some form of direct funding for business/enterprise space could also be explored by project developers.

5.10 At both workshops there was a clear view that there are opportunities for local planning authorities to take a more proactive role in promoting and delivering mixed development in the current economic climate. Local planning authority involvement might not necessarily be in the form of a cash/funding contribution and other assets like land could form part of the joint venture. There is an opportunity to further explore the use of 'local asset backed vehicles' (LABV) to deliver mixed use development. LABVs are a mechanism that allow for a public sector organisation to use their land and buildings in an efficient and strategic way to meet an identified local need. Typical applications could include city centre regeneration, enabling new areas for development, improving or rationalising operational property, rejuvenating property or investing in housing.

Evidence from Local Authorities Survey

5.11 As highlighted in Chapter 4, local planning authorities, especially the smaller ones, may not have the kind of expertise to actively promote and deliver mixed use development. The online survey indicated that all local planning authorities (who responded to the survey) rated themselves least skilled at partnership structuring and only slightly more skilled at establishing development funding principles. This point was well illustrated by one local planning authority respondent to the survey:

“most local authority planners don't have private-sector development experience so don't always appreciate the realities of

²¹ Housing Supply in Scotland, A Report by the Housing Supply Task Force, Scottish Government February 2009

²² Housing Association Grant is available to Registered Social Landlords to acquire land or buildings and to build, convert or improve housing for rent or low cost home ownership.

²³ BASEL rules are part of a wide-ranging set of international standards designed to make individual banks and the global financial system safer.

the development process (e.g. what is reasonable to ask for and what isn't; which uses are viable and which aren't, e.g. small retail units; the effects of delays on development costs and viability. (There is) therefore a need for training planners in understanding of both sides of the development process, including the pros and cons of mixed developments. Temporary secondments to the private sector, seminars etc.; sufficient financial knowledge to know what is viable and what is not (including when developers are bluffing); environmental / amenity issues such as noise traffic generation etc”.

5.12 As illustrated in Table 5.1, four of the top ten barriers for both planning authorities and for developers related to deal structuring, financing and the setting up of appropriate development vehicles.

Table 5.1: Deal Structure Barriers Identified by Local Planning Authorities

Barrier	Ranking for planning authorities	Ranking for developers
Difficulties establishing an effective development agreement between the various parties involved in the project	3	5
Provision and funding of infrastructure	5	2
Difficulties with establishing a suitable development vehicle	8	10
Difficulties identifying a suitable promoter/developer	10	4

5.13 Planning authorities responding to the online survey provided some 19 examples of mixed use development, 11 of which had residential as the primary use. This is perhaps key to understanding some of the comments made about deal structuring and suggests that it is often housing developers who have some difficulty in moving out of their comfort zone of providing purely housing developments where they are certain of their product and being able to make a reasonable profit.

Conclusions & Summary of Issues

5.14 Structuring a deal to deliver mixed use development and organising funding were identified as significant barriers to delivering mixed use development. Local planning authorities, particularly the smaller authorities, may not have the in-house expertise and confidence to identify key structuring principles to initiate and promote an appropriate development vehicle. Mixed use developments, because of their scale and complexity, are often likely to require more up front infrastructure. In the current economic climate, with very limited demand and dramatically falling land values, Section 75 contributions/planning agreements cannot be seen as the source of capital funding for major infrastructure and there is a pressing need to consider new models for funding ‘up front’.

Issue 5.1: Skills to Identify and Confirm Market for Mixed Use Development

5.15 Responses from the online survey indicate that a lack of ‘market knowledge’ was also an important barrier leading to delays in business space being

occupied or high value uses predominating over others. As a response, local authority planners need to develop more skills and confidence to make robust decisions on the market for mixed use development. At the same time local authority planners should have the support of property professional colleagues to provide wider market knowledge on mixed use development and there is a case for local authorities to use all the professionals at their disposal.

Issue 5.2: Mixed Use: Development Vehicle

- 5.16 Determining the most appropriate development vehicle to deliver mixed use development is complex but public sector partners need to understand the basics and this has implications for the initial mixed use development scheme concept and principles. As a response it would seem to be appropriate for the key principles in the process and proven 'models' to be highlighted, as part of disseminating good practice.

Issue 5.3: New Models for Funding Major Infrastructure Provision

- 5.17 New models for funding major infrastructure need to be identified. Tax Increment Financing for example was identified in the workshops and by the Housing Supply Task Force and uses future increases in tax revenues to finance current improvements such as new infrastructure. The issue of funding commercial uses in residential areas was identified in both the workshops and this may be a particular issue in a social housing regeneration area. As a response the possibility of some form of direct funding for business/enterprise space could also be explored by project developers.

6 OWNERSHIP AND MANAGEMENT OF MIXED USE COMMUNITIES

- 6.1 This chapter presents the evidence on real and perceived barriers to delivering mixed use development that arise from the ownership and the management of mixed communities. In this context there are likely to be not just multiple owners but a mix of ownership types from commercial and retail to residential and community.
- 6.2 The responses from the online survey provided some evidence on the barriers resulting from multiple ownerships with the “difficulty of agreeing improvements between a variety of ownerships” ranked 7th out of 30 in terms of barriers for both planning authorities and developers.
- 6.3 Where there is a residential component in a mixed use development, this can be a particular issue. While a developer may retain ownership of a commercial development and let on long leases, this is not possible in Scotland as the system of land tenure, does not allow residential leases for a period longer than 20 years²⁴. Therefore where residential uses above a commercial property are to be provided, the flats are generally sold and ownership of the scheme becomes fragmented.
- 6.4 This chapter focuses on the following specific issues:
- Whether a vision for a successful mixed use development can be established and then maintained where there are multiple ownerships;
 - How potentially conflicting activity patterns can be successfully planned for and then managed once the mixed use development is occupied;
 - Whether mixed use can be sustained in the long term; and
 - How multiple owners can achieve a consensus to deal with property management, maintenance and improvement and deal with other changes.

Long Term Vision

- 6.5 Dealing with a fragmented ownership can be an issue from the very start of the mixed use development process. Land assembly and ownership is fundamental as a basis for large scale master planning and can be a significant barrier to development of any kind. Control of land through ownership can have a greater influence than planning control. In this context, the vision of a single landowner or structured promoter/development partnership or company can be instrumental in delivering a mixed use development. In the workshops, it was pointed out that it is also likely that less capital investment will be required if the land is already owned and, with a reduced borrowing requirement, there is also likely to be less pressure from banks and investors who may perceive mixed use development as inherently more risky. One example of this that was

²⁴ Land Tenure Reform (Scotland) Act 1974

highlighted at the workshops was the development proposed at Tornagrain near Inverness.

- 6.6 How the initial vision of a single landowner or structured promoter/development partnership or company can be sustained and refreshed post occupation, when there are many owners, needs to be considered. In this context, the recent introduction of new legislation to permit the establishment of Development Management Schemes and the consequent establishment of Owners' Associations as corporate bodies provides a potential solution²⁵. This is discussed further below.

Dealing With Conflicting Activity Patterns

- 6.7 There was a majority view at the workshops that mixed uses had many advantages, particularly that an emphasis on housing as well as employment uses could reduce car use and therefore provide a more sustainable development pattern. The minority view was that an emphasis on housing could lead to a reduction in the economic and employment potential of the mixed use development. Other advantages of mixed use were also cited e.g., the use of facilities such as car parks at different times of day by different types of user or the potential for the use of combined heat and power schemes.²⁶
- 6.8 The interviews, literature review and workshops all highlighted the potential barrier of the difficulty of reconciling different environmental health requirements within a mixed use development. Environmental Health 'rules' for example often require solutions which segregate activities and require the definition of clear "zones of responsibility" which can reduce the net 'lettable' floor area and, consequently, the profitability of the development. Building regulations may also impose additional fire safety requirements. These kinds of regulation can, on occasion, work against good place-making principles and act as a barrier to achieving a high quality development. Workshop attendees agreed however that this perceived barrier can be overcome with good early concept development and thoughtful urban design/place-making as part of the master planning and early discussions with regulators.
- 6.9 Attendees at both workshops highlighted the need to develop a better understanding amongst partner agencies (i.e. Historic Scotland, SEPA, SNH and Scottish Water) and local authority colleagues of the wider issues and priorities in mixed use development. The view of workshop attendees in Edinburgh was that these partner agencies were in some cases a barrier and, where appropriate, needed to be involved early in the mixed use development process.

²⁵ Title Conditions (Scotland) Act 2003 (Development Management Scheme) Order 2009 (SI 2009/729) 18th March 2009, due to come into force on 1st June 2009.

²⁶ It should be noted however that residential users are able to opt to move their energy supplies to alternative providers.

The research identified examples within North Lanarkshire Council, Highland Council and Edinburgh City Council of assembling 'cross department' teams to negotiate mixed use developments. This has proved to be a very effective method of dealing with the spectrum of issues and variety of disciplines/professions that mixed use development involves and helps to build trust between the local planning authority and the developer/promoter.

Sustaining Mixed Use

- 6.10 Having established a mixed use development, there may be issues of how the mix of uses can be sustained, especially where one high value use becomes dominant. One specific example of this was cited in Edinburgh where, as in many town centres, vacant or underused property above shops is difficult to bring back into use, because in some cases, stairs and access to upper floors have been removed to create more valuable ground floor retail space. Owners of town and city centre retail property are also reluctant to encourage residential use of the upper floors because this reduces their options to refurbish or redevelop the building together with adjoining buildings in the medium and longer term. This illustrates the need for continued advocacy and robust input from planners in managing proposed changes of use in mixed use schemes in order to prevent a watering down of the original design concept.

Achieving Consensus: Management, Improvement & Redevelopment Among Multiple Owners

- 6.11 Workshop attendees in both Aberdeen and Edinburgh agreed that regular and high quality maintenance of mixed use development is crucial. It is likely that mixed use schemes will require more maintenance partly because of the more intensive and extended use patterns and partly because a lack of maintenance will affect capital resale values. A lack of maintenance may also lead to a perception that businesses in the scheme are of a poorer quality. Ensuring high quality maintenance and management can be a barrier to delivering mixed use development that is successful in the long term.
- 6.12 Some workshop attendees pointed to the perceived benefits of leasehold tenure as it applies in England. It was implied that a freeholder (who owns the land and has granted the leases) is able, through the terms of the lease, to maintain greater control over the development under the leasehold system, provide a long term vision and control or promote change appropriately to ensure that a development retains a market profile that might not be easily achieved with multiple ownerships. The lack of such a landholding system in Scotland was seen as a barrier to mixed use development.
- 6.13 However, property law in Scotland has undergone huge change since 2003 and relationships between multiple owners are now governed by the Title Conditions Act 2003 and, where properties are divided horizontally, by the

Tenements Act 2004. The Housing (Scotland) Act 2006 is also relevant in many contexts. These changes have aimed to tackle some of the issues around multiple ownerships that have been seen as barriers to delivering mixed use development.

- 6.14 The Title Conditions Act 2003 created the concept of a series of “burdens” or obligations that the owners of properties had towards other owners in related properties e.g. flats in the same development. Such burdens can cover maintenance of shared facilities such as the structure or common recreation areas; payment of service charges; employment of a development manager; establishment of building maintenance funds or restrictions on the use of property. These burdens are set out in the title deeds and are heritable, so are passed from owner to owner.
- 6.15 Recent legislation has now completed the reforms brought by the Title Conditions Act by making it possible to set up a Development Management Scheme (DMS) which can be enforced by a manager employed under the aegis of an Owners’ Association which can now be established as a corporate body. The Development Management Scheme is a model set of rules intended as a best practice tool for use by developers when creating new communities. The provisions of the DMS are heritable burdens so changes agreed by one set of owners cannot be set aside on change of ownership. The majority of DMS rules can be varied to suit the individual characteristics of the development. This therefore gives a means of providing a strong controlling body for a development that can employ professional management to provide proper maintenance and enforce the Owners’ Association’s wishes. However, a broad consensus will still be required to achieve change.
- 6.16 At both workshops it was agreed that an effective management company or owners’ association can play a lead role. It was also pointed out that a strong maintenance and improvement culture with an implicit understanding of the realistic maintenance costs amongst occupiers/residents needs to be established in a transparent way from the first day of occupation of the development.
- 6.17 Title deeds for newly developed properties should be drawn up in such a way as to set out how costs of management and maintenance will be shared between different types of owner so that neither residential or commercial owners are overly burdened with repair or service charge costs. For example, a retail unit in a mixed use development is likely to generate more footfall than residential units, imposing greater maintenance and security requirements and so should be required to pay a higher share of service costs. Research on modern title deeds and deeds of conditions showed that such deeds have, in recent years, become much better at clearly establishing the various rights and responsibilities of owners.²⁷

²⁷ Modern Title and Condition Deeds in Scotland and their Effectiveness in Securing Common Repairs. Scottish Executive Development Department 2003

- 6.18 The Tenements Act 2004 set out owners' responsibilities for maintenance and management of properties in multiple ownership. Combined with the provisions of the Housing (Scotland) Act 2006, there are now clear and enforceable means of ensuring that all owners contribute towards maintenance so ensuring that buildings can be properly maintained and managed. While this legislation was drawn up with residential tenements in mind, it will apply also to commercial or mixed use areas.
- 6.19 Redevelopment of larger mixed use sites will require site assembly and, if existing residential and other units in the development site cannot be acquired by negotiation, redevelopment is likely to require use of Compulsory Purchase Orders. There is concern among local planning authorities and the development profession that the existing compulsory purchase order (CPO) system is not meeting current needs. However, it may equally be the issue that practitioners lack the necessary skills to employ CPO procedures to best effect, possibly because they are now relatively little used by local authorities. Although, the Stenhousemuir case study (See Chapter 7) is a good example of where a CPO was used successfully. In addition, there may be concern over issues of competition where a developer indemnifies a local authority against the costs of implementing a CPO on their behalf. These, and other issues, are noted in previous research published by the then Scottish Executive in 2001 and 2002.²⁸

Conclusions & Summary of Issues

- 6.20 Land assembly and dealing with a fragmented ownership is fundamental for large scale master planning, at the very start of the mixed use development process and can be a significant barrier to development of any kind. At planning application stage, mixed use developments can be subject to considerable and perhaps competing demands from a wide range of partner agencies. These can impact on profitability and reduce the quality of place making that designers seek to achieve. However, there are good examples of cross departmental teams building up expertise to deal with such issues. Workshop attendees agreed that this perceived barrier of reconciling different environmental health requirements within a mixed use development can be overcome with thoughtful urban design/place-making as part of the master planning and early discussions with regulators.

Issue 6.1: Fragmented Ownership

- 6.21 Fragmented ownership is a particular issue where residential uses have been introduced into a mixed use development, as the flats and houses provided are generally sold off whilst commercial units may be retained and leased out by the developer. Recent legislation has made effective management and maintenance easier to establish but there is still a lack of real experience and good practice in implementing the legislation.

²⁸ Review of Scotland's Cities. - The Analysis Scottish Executive 2002 and Review Of Compulsory Purchase And Land Compensation Scottish Executive Central Research Unit 2001

6.22 It is not considered necessary to make any further amendments to legislation governing land tenure; however, better promotion of the use and benefits of the legislation is needed and this should be undertaken by a range of professional bodies and be part of CPD training programmes.

7 CASE STUDIES

- 7.1 This chapter summarises the findings from the four case studies. The case studies were selected so as to reflect town and city locations as well as a geographic spread across Scotland and were agreed by the Advisory Group from a long list of fifteen case studies. The findings are based on detailed analysis of the project using a review of published website material and reports as well as interviews with key individuals. The interviews focussed on covering gaps in the published material and more importantly on the individuals' experiences of barriers to mixed use development, attempts to overcome barriers and lessons learned. Further information including plans and visualisations are available through the various website links.
- 7.2 The case studies highlight tangible examples of how some of the barriers were overcome in a Scottish context. (See Appendix 5: Case Study Profiles for more details) The case studies findings amplify the issues emerging from the workshops, interviews and local planning authority survey. The issues are described under the structure used in the earlier chapters namely:
- Planning and place-making;
 - Deal structure agreement and funding;
 - Tenure and ownership structure; and
 - Managing mixed use communities and conclusion.

Project 1: Quartermile Edinburgh²⁹

- 7.3 The Quartermile development is a 7.6 hectare mixed-use development on the southern edge of central Edinburgh at the former location of the Edinburgh Royal Infirmary. The project is being developed by a joint venture of Gladedale Capital and the Bank of Scotland. The development concept focuses on masterplan-led, mixed-use regeneration project to create a new urban quarter in central Edinburgh. The masterplan has been modified over-time and currently aims to create a new neighbourhood of approximately 1,600 residents with access to onsite retail, leisure and community facilities. In addition the masterplan accommodates hotel accommodation and commercial office development. The masterplan currently provides for:
- Over 900 apartments in new and period buildings (18% or around 160 of which are affordable);
 - Over 30,000 sq m of new office accommodation;
 - Over 10,000 sq m of retail and leisure space; and
 - 7 acres of open landscaping.

²⁹ <http://www.qmile.com/index.php?intro=0>
<http://www.edinburgharchitecture.co.uk/Quartermile.htm>
http://www.ads.org.uk/what_we_do/design_review/reports/277_quartermile-mixed-use-development-edinburgh

- 7.4 The development site was acquired from Lothian NHS Trust and therefore was in a single ownership, at the masterplanning stage. The project also had a single source of funding. Whilst developed blocks have been sold to a diverse range of owners (from owner-occupier residents to pension fund investors) all transactions require each owner to sign up to a Deed of Conditions. This secured a commitment of the owners and occupiers to contribute to the funding of Quartermile Estates who manage the external spaces, common internal areas and provide building insurance for the entire campus, as well as offering supplementary services at an additional cost for owners (e.g. dry cleaning).

Overcoming Barriers: Experience Gained Lessons Learned

Planning and place-making

- 7.5 The developer's view of the planning process was that it was as anticipated in terms of length, complexity and cost. The extent of consultation and complexity of the process was built into their programming, development financing and funding calculations from the outset. The planning process was complex due more to the size of the development rather than the mix of uses. The lack of flexibility in the planning process to easily accommodate amendments to modifying the mix of uses to ensure deliverability and viability, without recourse to amending the planning consents, emerged as a barrier that had to be overcome through negotiation with the local planning authority.
- 7.6 The most significant planning issue for the developer was managing the risk of objections to the proposed redevelopment by a broad range of built heritage bodies consulted in the course of the project. The historic built fabric, in particular the former Infirmary buildings, offered a strong marketing opportunity focussing on the unique sense of place. At the same time the listed buildings, the sensitivities of built heritage, the high profile location and the diversity of groups that had to be consulted clearly exposed the project to uncertainties which increased the potential risks.
- 7.7 The Quartermile development has encountered a few, on balance relatively minor, barriers to mixing uses due to the imposition of regulations, including Environmental Health issues. Whilst these barriers were not unduly significant they have illustrated the need for early discussions so as to avoid the potential for the application of some standards without regard to the specific context. This can threaten, what is otherwise, a desirable mixture of functions in close proximity, e.g. Environmental Health concerns regarding proximity of dwellings to restaurant were overcome by careful design including good sound proofing and ventilation services.
- 7.8 The developer acknowledged that there had been a dedicated team of council officers allocated to process the application. It was noted that negotiations with the local authority had been departmental based and therefore tended to be driven by specific aspects of each department's requirements rather than offering a cross-cutting and corporate response.

This would have enabled the developer to gain a better insight into the needs and expectations of the local authority, particularly in terms of Section 75 Agreements.

- 7.9 Quartermile is a good example of a project that applies a mixed use development concept where it is appropriate and will be supported by market demand. This was clearly fundamental in overcoming barriers to delivering mixed use development at Quartermile. Promoting a diversity of uses also provides a more robust and rounded investment rather than being reliant on a single, dominant land use that is possibly more susceptible to market fluctuation. From a developer's perspective Quartermile demonstrates how mixed use can also reduce the development programme by allowing parallel build and marketing thereby reducing finance costs. Using a masterplan that has some built-in flexibility and is supported by appropriate adaptability at the detailed planning stage in order to accommodate change in uses over the long term has been very important in overcoming barriers. The mixed use concept, promoting a residential quarter with access to services on and off site, has been used as a key marketing tool at Quartermile to sell a lifestyle of urban living in a new quarter.
- 7.10 Quartermile illustrates the benefits of improving access to appropriate skills in local authorities to address the complexities and issues which developers encounter. Appointing a dedicated Section 75 Agreement officer (example cited at Aberdeenshire Council) to enable a consistent and co-ordinated corporate position to be established to enable streamlining negotiations was also considered to be worthwhile. This point, whilst pertinent to many mixed use projects, is equally applicable to single land use projects of a given scale which require S75 Agreements.
- 7.11 Quartermile also highlights the need to consolidate the advice, comments or objections from statutory and non-statutory consultees (especially in the built heritage sector) so as to minimise risk of conflicting positions which in turn can be a barrier. At the same time using discretion and commonsense in the application of regulations (e.g. Environmental Health regarding proximity of dwellings to restaurant – odours, noise etc.) is essential. This avoids prohibiting potentially desirable mixed uses because of narrow adherence to regulations, without exploring different design and technical solutions. Early discussions within the local authority and quality design solutions can greatly assist in overcoming these issues at an initial design stage.
- 7.12 At Quartermile the masterplan and a focussed marketing effort, especially in proactively promoting the site as a viable commercial office location, has helped to counter the prevailing negative local market perception of this as an office location. The marketing and scale of the office component has successfully overcome an important market barrier to delivering the mix of uses, albeit this is being tested by the currently difficult market conditions.

Deal structure/agreement and funding

- 7.13 Quartermile has been delivered by a private sector joint venture following a selection of a preferred consortia based upon criteria set by the public sector

vendor. The mix of uses was shaped by planning policy but clearly driven by market demand. One of the most significant barriers encountered by the developers related to the original deal structure at the time of consortia selection when an overage agreement was incorporated into the terms of the deal. This aimed to ensure the NHS Trust avoided losing out on the eventual end value of the delivered development however the potential for the overage agreement to focus only on end value without regard for capital expenditure, meant that, in the opinion of the developer in this instance, it could have proved to be a significant burden and barrier to development. In this case a negotiated settlement with the NHS Trust enabled the Agreement to be waived. This had no impact on funding and the emerging success of the project.

Tenure and ownership structures

7.14 The benefit of the entire site being in single ownership, avoided complex issues of multiple ownership and difficulties of land assembly. This has resulted in a situation where the Quartermile project has been delivered without any significant barriers being encountered due to ownership or tenure. Undoubtedly, the single land ownership and delivery mechanism also facilitated the masterplan led approach applied across the site to dictate the blend of mixed use.

7.15 The masterplan, in the main, allocates single uses to many of the blocks for example all of the southern part of development is residential. In those locations where vertical mixed use has been delivered (predominantly ground floor retail under residential or commercial offices) this has been done using traditional models of ownership and tenure, with long leases and set rent reviews.

Managing mixed use communities

7.16 Given the legacy of a single developer, land-owner and funder the Quartermile development offers a good example of a model with a strong deed of conditions for managing the development after delivery. The single management company model to undertake maintenance of communal external and internal spaces, provide buildings insurance and offer sundry benefits for residents funded by a charge paid in perpetuity and incorporated into the deeds of each property, seems to work well. This system is supported by a sales structure which requires purchasers (residents and corporate investors alike) to sign up to this 'factoring' arrangement. This has avoided the typical problems of complex arrangements for service charges for common areas of mixed use developments as well as ensuring high levels of maintenance. The implications of 'privatised' public realm, where private security personnel are deciding who can come and go and possible restrictions to 'public rights of way', should not be overlooked in this approach.

7.17 The allocation of affordable housing into a single block rather than an even distribution across the site, or even mixing affordable housing in with private housing through the development ('pepper-potting'), rather than gather the

affordable homes together, was partly predicated on a desire from the housing association to concentrate this element in one location to avoid complexities of management and housing allocation. This arrangement could also have suited the developer. This is a common barrier to mixed communities encountered by housing associations/Registered Social Landlords and private housing developers. One view is that, blocks of affordable housing are easier to allocate and manage as opposed to affordable housing being pepper-potted across the residential component. An issue here is often the quantity of affordable housing being provided and the challenge of integrating that within the overall development proposal. The kind of solution used at Quatermile could run counter some of the objectives of encouraging more social interaction and the integration benefits that follow from a mixed community. Other issues include the perception of potential owners and marketability of adjacent housing for sale but exploring these was outside the scope of this research.

Conclusions

7.18 Quatermile is a good example of the private sector delivering a large-scale, mixed-use development and highlights useful lessons that could be applied elsewhere. These include identifying a clear mixed use development concept that is supported by market demand, designing an effective masterplan with a costed and phased implementation strategy and the need for a joined-up approach from the various contributors. At Quatermile a single private developer / consortia secured full land ownership for a large city centre site, accessed a single source of funding and established a single management structure to maintain the built development. A fundamental lesson is that having a single developer with control over all aspects of landownership, funding, delivery and management has greatly helped overcome many of the barriers to mixed use development at this scale. The overall conclusion of the developer at Quatermile was that mixed use development occurred because there was market demand and that this was an appropriate location for that approach.

Project 2: Grandholm Village: Aberdeen³⁰

7.19 Grandholm Village is a 17 hectare mixed-use development approximately 4km north-west of Aberdeen city centre. It is situated in the valley of the River Don, which forms a green corridor between the urban areas of Danestone in the north and Woodside/Hayton/Tillydrone in the south. The development is on the site of the former Crombie Mills on the north bank of the River Don. The Mills were used for the manufacture of woollen cloth and opened in the 1790s and closed in 1991. Crombie Mill is a substantial 3 storey granite category A listed building that was derelict for many years and has been restored to become the centrepiece of the development. Over a

³⁰ <http://www.cala.co.uk/group/news/newsitem.aspx?id=2>
<http://www.cala.co.uk/group/news/newsitem.aspx?id=628>
<http://www.gvra.org>

quarter of the site has been retained as open space with new walkways and pathways.

- 7.20 The development concept at Grandholm Village was to create '*Scotland's first contemporary urban village*' within the city of Aberdeen, which stems from the conversion of the category A listed mill building and from the broad mix of uses and house types across the site. The overall masterplan concept, based on the local planning authority brief, focused the commercial and business parts of the development in a higher density zone around the mill building to bring about activity and vitality to the public areas. Uses include 288 residential units including detached houses, three storey townhouses and 1, 2 & 3 bedroom apartments, offices, nursing home and restaurant and other commercial services with an 18 hectare open space. The development was recognised as 'Best in UK' at Your New Home Best Developments in 2006.
- 7.21 The project was planned and delivered by CALA Grandholm Limited which is a joint venture company formed by CALA Homes and Hartley Property Trust to develop Grandholm Village. CALA Grandholm Limited acquired the whole site and subsequently sold off two individual plots for office development and a care home.
- 7.22 CALA also own Grandholm Bridge and agreed with Aberdeen City Council as obliged by their planning permission to close the bridge to the public and make it available solely for the use of Grandholm Village residents and other occupiers. Outline planning permission was originally obtained in 1997. The overall approved scheme included a mix of residential, business, retail and restaurant developments, all with associated infrastructure, landscaping and open space, and all subject to a Section 75 agreement. The site has been subject to a number of separate planning applications over a period of six years and several went to appeal. (See Appendix 5: Case Studies Profiles)
- 7.23 The proposal to create Grandholm Mills Heritage Centre, formed part of the original outline planning application but did not proceed, in part due to a lack of available funding from Aberdeen City Council. One of the units of the mill building originally opened as a restaurant; following change of use and listed building consent in 2008 the unit has since been occupied by a dental clinic now comprising 3 surgeries and stand alone dental laboratory. The clinic plans to extend into the floor above. Another restaurant, that is popular with residents and more affordable than the original restaurant, has since opened; its function suite is used for community events and meetings by the Grandholm Village Residents Association. (See Below)
- 7.24 Two of the commercial blocks comprising one pavilion building of 573 sq m with 20 parking spaces and two further pavilion buildings each of 284 sq m and 11 car parking spaces have been marketed and Grandholm Nursing Home with around 50 residents has been operational for approximately 6 months.

Overcoming Barriers: Experience Gained Lessons Learned

Planning and place-making

7.25 Vital to the overall urban village concept is the masterplan and an approved mix of commercial and business uses within a central zone to complement the residential element of the site. Any dilution of the approved commercial mix of uses within the central area was seen as unacceptable to the local planning authority, as it would detract from the broad balance of uses on the whole redevelopment site. This was considered likely to adversely impact on the urban village concept. Securing the expected vitality of the central village area was also an essential component of the original local planning authority brief.

7.26 Clearly CALA Grandholm Limited had to invest a lot of time and effort through the development management process that took over six years and more than ten detailed planning applications. CALA were critical of the time taken to secure planning permission and of the number of planning applications/listed building consents that were required. Reasons for refusal of various applications included:

- Over-development of the site;
- Unacceptable erosion of the urban village concept; and
- Generation of additional vehicular traffic.

7.27 The local planning authority on the other hand point out that compliance with the original brief was crucial and that the masterplan in some cases 'contained undeliverable uses'. Therefore, in the local planning authority's view, if CALA Grandholm Limited had complied with the advice given at the outset there could have been a speedier outcome. The review of the planning applications (See Appendix 5) at Grandholm Mill also highlights the need to look to consolidate the advice, comments or objections from statutory and non-statutory consultees (especially in the built heritage sector) so as to resolve some of the conflicting positions. In this case and with hindsight the Research Team conclude that a more 'streamlined process that involved the developer and local planning authority collaborating more closely but on the clear basis of a planning permission in principle and a 'parameters plan' to confirm maximum capacities could have been more effective.

7.28 Grandholm Mill also highlights at least three examples of uses that were included in the masterplan that could not be delivered because of lack of market demand and that as a result the local planning authority had to be more flexible. The three examples were:

- Reduced leisure space stemmed from a lack of demand by an operator
- 34 sheltered flats were not of interest to a specialist developer/operator
- Original restaurant use subsequently occupied by a dental clinic.

7.29 Conditions were included in many of the planning approvals namely:

- That any noise generated by the use of the premises is inaudible within the flatted properties on the upper floors;
- Parking provided on the basis that it would be shared between the residential and commercial uses; and
- Restrictions on times of deliveries and uplifts in association with the commercial units to reduce the inconvenience to residents.

7.30 At Grandholm Mill the market focus on delivering an 'urban village' has been successful as far as the residents' association is concerned. Residents are able to enjoy the benefits of the mix of uses including the restaurant and local services including a popular dental clinic, hairdressers, IT services and health/beauty services. Access to the river, fishing permits and the landscaped grounds for passive recreational use (e.g. picnics) and the residents' association organised events have proved popular with residents. There has been a degree of residential movement within the village whereby owners of flats have moved up the ladder into townhouses and townhouse residents have subsequently bought detached properties. An application for a hot food takeaway was opposed by residents and planning permission was subsequently refused. Despite a well known operator's previous lack of interest because of the limited number of residents in the catchment, the feasibility of opening a small grocery shop is currently being re-investigated by the residents association. The marketing effort in promoting the site as a unique office location however has been less successful and some units are still for let.

7.31 Clearly, in terms of the planning process, this was a difficult Brownfield development with listed buildings and remediation issues, where the developers for various reasons required a series of amendments, resulting in the number of revised applications and appeals. As a result the local planning authority was required to respond to the developer's changes and not necessarily the other way round.

Deal structure/agreement and funding

7.32 This was clearly a market-led and private sector driven project. CALA Grandholm Limited acquired the whole site sought planning permission and subsequently disposed of parcels but with the overall development concept in mind. The local authority had no land ownership and therefore was not actively involved. CALA Grandholm Limited funded the development by traditional bank and institutional borrowing.

Tenure and ownership structures

7.33 The Grandholm Mill site was largely in single ownership of CALA Grandholm Limited and the developer used traditional models of ownership and tenure, with residential ownership and commercial property under long leases. CALA Grandholm Limited's ownership of the vehicular bridge across the River Don that provides the only access to the mill, make it unique and the bridge is available solely for the use of Grandholm Village residents and other occupiers and so cannot be used as a short-cut.

Managing mixed use communities

7.34 A single formal factoring arrangement with FG Burnett acting as managing agents for Grandholm Village has overcome some of the barriers associated with managing a mixed use development in different ownerships and the 18 hectare open space. The development also has an active residents association: Grandholm Village Residents Association. A handbook has been prepared for proprietors and residents. All occupiers (residential and commercial) contribute to the maintenance of all communal areas, including the cobbled areas alongside the riverbank, public garden areas and the three bridges (one vehicular; two pedestrian). Key fobs are included for the exclusive vehicular use of Grandholm Bridge. The management fee varies according to the type of residential accommodation: the apartments within the refurbished old mill pay the most due to additional buildings insurance and other liabilities; owners of detached houses pay the least. A more detailed breakdown of service charge responsibilities is included in the Appendix 5.

Conclusions

7.35 At Grandholm Mill, CALA Grandholm Limited have driven forward an impressive, difficult and significant Brownfield mixed use regeneration project incorporating the Grade A listed Mill and Lade. The development was recognised as 'Best in UK' at Your New Home Best Developments in 2006.

7.36 The planning process has been extended partly because of the listed buildings and structures, the bridge access and the ambitious mix of uses originally proposed. The residents' association is clear that the project has delivered 'a sustainable mixed use community' due for example to uses such as the restaurant and the now well-established and growing dental clinic, both of which have been well supported by residents. Further evidence of the popularity of the village is shown by the number of households who have remained in the village by trading up to larger properties.

7.37 Despite the site being in single ownership, the development process involved a series of outline and detailed planning applications, amended applications and appeals following a number of refusals by the local planning authority. Closer collaboration between CALA and Aberdeen City Council using a parameters plan (See Chapter 8) could possibly have reduced the timescale to secure planning permission for the whole development. The single factoring arrangement with the managing agents set out in a handbook that describes the responsibilities for each type of occupier, seems to have worked well. The standard of maintenance is considered to be high by the residents' association.

7.38 Overall this was a difficult Brownfield development with listed buildings and remediation issues that resulted in number of revised applications and appeals. There is an argument however that the end product is an award winning urban village that the residents clearly value. Undoubtedly, the

outcome was enhanced by the original local planning authority brief, the level of consideration and planning skills applied to the different components of the development and in particular the listed buildings, in realising the original vision for the site.

Project 3: Stenhousemuir Town Centre: Falkirk District³¹

7.39 This mixed use development project was initiated and supported through a strong public/private partnership: 'My Future's in Falkirk'. This was originally called the Falkirk Action Plan and is a ten year (2002-2012) £23m economic development initiative to transform the Falkirk area's economy. At Stenhousemuir this high level, strategic and longer term commitment has helped to overcome the difficult barrier of ensuring regeneration priority is given to a smaller town with a more difficult local property market. After competitive tender Macdonald Estates plc was approved as Falkirk Council's preferred developer for the scheme in September 2002. (See Appendix 5: Case Studies Profiles)

Overcoming Barriers: Experience Gained Lessons Learned

Planning and place-making

7.40 A key requirement set out in the marketing brief for the site was to deliver a major food store in order to attract shoppers back into the town centre to ensure the future vitality of the town centre and service the anticipated demand as a result of planned residential growth in the district. This has been achieved; however the creation of a new high quality, well designed mixed use town centre to replace the dated 1960s shopping and residential core has been a particular challenge. There is a view that this has been less successful. As highlighted by A+DS (see Appendix 5) the redevelopment lacks a civic heart and highlights the characteristics of poor quality place-making, mainly due to the inclusion of an 'out-of-town' supermarket layout with associated 350 spaces surface car park.

7.41 The A+DS design review points out that the remainder of the layout is characterised by free-standing community and retail blocks which fail to create enclosed, comfortable pedestrian friendly spaces of a scale appropriate to a small town centre. The limited yet traditional two storey streets with retail/commercial on the ground floor and residential above that remain have not been knitted into the layout. No residential components have been included in the scheme and this seems a missed opportunity to create a higher density town centre core with a mix of community, retail and housing uses.

7.42 The A+DS design review however, was prepared late in the development process and less than two months before detailed planning permission was

³¹ <http://www.falkirkonline.net/Community/Larbert/Town%20Centre%20Proposals.aspx>
<http://www.myfuturesinfalkirk.co.uk/Business%20Panel/Pdfs/issue4.pdf>

granted The Council accepts that A+DS should have been involved sooner as has now happened with the current regeneration of Denny town centre.

7.43 It is also important to recognise however that the development is still incomplete but in difficult market conditions it has succeeded in its key aim of bringing shoppers back into Stenhousemuir town centre. ASDA's commitment was the financial lever to ensure that the development was viable. It seems Falkirk Council and A+DS had opposing views regarding a major food retail store in the town centre. Bringing a major food store into the town centre was a central element of the original brief from the Council's point of view. The Council's view was that unless sufficient parking was provided for the food store, local people would not be attracted back into town centre and that in Stenhousemuir the right balance has been achieved. Falkirk Council point out that previously there was only around 160 car parking spaces in the town centre, on completion of the development there will be 504 spaces and the new parking facility is already being well used.

7.44 The original marketing brief did not contain a specific requirement for housing, although non-retail uses were to be identified by the developers. The Macdonald Estates master plan as built does not include any residential. Their original submission did include a proposal for a large residential development on the nearby privately owned Foundry site, but the costs to relocate the existing works were excessive and so this element of the masterplan did not proceed. The Council considered that any residential units above shops would not be particularly desirable, apart from the advantage of natural surveillance. The key barriers here were considered to be the difficulty of selling private housing above shop units and the inflexibility to achieve potential alterations to the format of the retail units in the future.

Deal structure/agreement and funding

7.45 This was a public sector partnership/local authority promoted mixed use development that was procured and delivered with a preferred private sector developer under more straightforward development agreements rather than a joint venture. This did not mean however that there was less control and influence by the local authority. The Council consider that they have been able to exert control of the master plan and influence aspects of the development, where necessary through the planning process. The master plan was approved by the Council and the design and specifications for the layout, buildings and public realm formed part of the development agreements. Land has been transferred over to Macdonald Estates subject to the criteria set out in the agreements. Officers from the Falkirk Council Town Centre Regeneration Team including a Clerk of Works have and continue to monitor all development and specifications as the scheme is built.

7.46 The regeneration of Stenhousemuir Shopping Centre was clearly identified and supported by Local Plan policy and this was crucial in overcoming the barrier of successfully securing a Compulsory Purchase Order to demolish the King Street 1960s retail/housing block. Around half of the flats above the

ground floor retail units within the block were privately owned and one of the shops was in private ownership, the remainder being Council-owned. The new Medical Centre is to be built on the former community centre site. Complications with NHS Forth Valley led to a delay in signing the development agreement but this has now been satisfactorily resolved.

Tenure and ownership structures

- 7.47 The various components of the development as built are all separately owned. Falkirk Council own and manage the Tryst Community Hall, library, town square, park, changing rooms, play area, football pitches and other areas of public realm. Once transferred the Council will also own and manage the car park of the block A retail units. ASDA own the food store, the main car park and the adjacent retail unit. A management agreement is currently being finalised in cooperation with ASDA's managing agents to establish the specifications for on-going maintenance of land in its ownership.

Conclusions

- 7.48 The Stenhousemuir town centre project is not yet completed and clearly the scheme needs to be completed before reaching any final conclusions. Falkirk Council's view is that even involving A+DS at an earlier stage would still not have resulted in a different overall design concept, 'as the conflict was between their design requirements and deliverability'. Falkirk Council maintain that the scheme is attractive in its own right with the unique design of the library set within the park area and with various community facilities provided. As a result of the town centre being redesigned to face into the park there has been less anti-social behaviour given the new natural surveillance. Clearly the scheme is not perfect but as Falkirk Council point out, in difficult market conditions the main criteria of bringing local people back to their town centre has been successfully delivered.
- 7.49 The development process was strengthened by the clear policy framework established in the Local Plan and by the My Future's in Falkirk public/private partnership. The initiative has successfully attracted a major retail food store into Stenhousemuir town centre. The marketing brief originally prepared by the Council established key requirements and a clear assessment process was undertaken to select the preferred developer using competitive tender. Falkirk Council used development agreements to secure the investment.
- 7.50 The developer successfully negotiated the transfer of and acquired 42 privately owned buildings and areas of land resulting in the need for only one CPO to complete the complicated land assembly process. The Council had anticipated the likely need to utilise their CPO powers and this was approved in principle in 2002 and based on the Local Plan allocation, at the market testing stage. The lack of a visionary place-making masterplan and design-led framework and the late involvement of an independent design review, in this case from A+DS, has resulted in some compromises. One view is that the spaces that have resulted are not enclosed, comfortable or particularly pedestrian friendly. Management agreements for the town centre

are also now being finalised. Falkirk Council is clearly applying the benefits of the experience at Stenhousemuir in progressing proposal for Denny and other town centres.

Project 4: Queens Quay: Clydebank Re-built³²

7.51 Queens Quay is a mixed use waterfront development site which has been promoted by Clydebank Re-built on the site of the former John Brown's shipyard. The project has been driven by Clydebank Re-built which has been working toward 'design-led' regeneration in Clydebank. Clydebank Re-built is an Urban Regeneration Company (URC) limited by guarantee and is also a registered charity. Its two founders are West Dunbartonshire Council and Scottish Enterprise Dunbartonshire. The URC have set up 'arms length' Clydebank Property Company to undertake some of the large commercial property development in the Town.

7.52 The Queens Quay Enterprise and Learning District project, focuses on a 6.4 hectare site, and includes:

- £28m new 3 storey Clydebank College building catering for 10,000 students;
- 2,250m² of office space at the Titan Enterprise Centre (including the URC's current offices and Business Gateway) and space for business start ups;
- 2,500m² of office space at Pavilion 2 adjacent to the Titan Enterprise Centre;
- Approximately 40 affordable residential units at Cart Street for Clydebank Housing Association.
- £3.5m restoration and refurbishment of the Titan (shipyard) Crane to create a landmark visitor destination; and
- Public realm and road infrastructure including riverside walkway.

7.53 Clydebank Property Group acquired approximately 20% of the Queens Quay site when it was offered as planning gain by the developer as part of the redevelopment proposals for the former Clydebank College site. The balance of the site remains in private ownership and negotiations have been ongoing between Clydebank Re-built, potential joint venture developers and the group of current landowners. The areas which have been developed by the Clydebank Property Group have been covered by a common management agreement which is legally binding on occupiers and ensures continuity of management and maintenance for the public realm.

Overcoming Barriers: Experience Gained Lessons Learned

Planning and place-making

7.54 One of the barriers to securing high quality, design-led mixed use development at Queens Quay has been overcoming public and market

³² <http://www.clydebankrebuilt.co.uk/>
<http://www.clydewaterfront.com/clydebank.aspx>

perception of waterfront regeneration in Clydebank. An inherent public scepticism and market prejudice had to be overcome. The area's businesses and residents were low in confidence, aspiration and expectation. In 2003, this perception was reinforced by local planning policy which designated significant sites for single-uses (e.g. retail parks) on the basis of a lack of developer and investor confidence in mixed use development in the area. There was also a tendency to welcome any inward investment despite the lost place-making opportunities which have resulted for example in the Clydebank Business Park. As a response re-designating the Queens Quay site as being outwith the town centre retail core in 2004/5, closed the possibility for a 'shed retail' development and opened up the potential for an increased mix of uses.

- 7.55 It was recognised that, whilst the local planning authority has been a partner in the ongoing regeneration effort, the need to secure and maintain access to place-making and mixed use development design and delivery skills normally not available in smaller local authorities is an ongoing issue, along with adequate resourcing. Clydebank Re-built's ongoing support to the local planning authority to improve and maintain skills through funding training, workshops and study visits to promote and deliver successful mixed use development has been crucial.
- 7.56 The strong and visionary masterplan exploiting the evident assets of the site was an essential tool to guide development and encourage good place-making. Promoting development in an area requiring considerable investment in infrastructure (including utilities) presented challenges in planning and liaison with statutory consultees which required significant negotiation to ensure compliance with standards without incurring unnecessary costs, undermining the design concept or disaggregating the preferred mix of uses.
- 7.57 The concerted promotion of Clydebank to residents, partners and potential investors has been crucial to overcoming prevalent perceptions, to encourage increased confidence and buy-in to the benefits of mixed use waterfront regeneration. The creation of Clydebank Re-built as a special purpose vehicle which has driven forward appropriate development and championed the sense of place, ensuring delivery of award winning design (e.g. Scottish Design and Scottish Urban Regeneration Forum Awards) and adept at securing funding to enable development has greatly helped to overcome doubts.
- 7.58 Developing an understanding of the existing local urban design context and addressing shortcomings to increase market interest was crucial. Clydebank Re-built aimed to respond to a number of emerging opportunities including the shortfall in the availability of small office or workspace, the trend of out-migration of established small businesses and new business start ups looking to expand and lack of major office space. To this end the URC undertook studies and developed retail and business strategies at an early stage.

- 7.59 Clydebank Re-built also made an early decision to progress the College and enterprise centre and delay the residential component. Although negotiations went on for a number of years with private landowners and developers the parties failed to agree and therefore the main housing component was further delayed. The original aim to develop affordable housing mixed in with private housing has had to give way with approximately 40 affordable residential units at one location in Cart Street being provided by Clydebank Housing Association. In this case, as was highlighted in the Quartermile case study, the housing association took the view that blocks of affordable housing are easier to allocate and manage as opposed to being 'mixed in' with private housing.
- 7.60 To avoid diminishing the quality of place-making the URC had been actively working with the local authority, developers and end users to agree shared parking allocations to increase intensity of use of parking provision by enabling allocations to be used by different users at different times to respond to temporal patterns of use. This is a good example of a sophisticated approach to mixed uses and parking provision through a designed solution, albeit there have been difficulties in managing this approach with parking demand outstripping supply.
- 7.61 A best value option for drainage infrastructure has resulted in optimising infrastructure size by arranging for different uses to draw on system capacities at different times of the day or week. This approach ensures that compatible cycles of usage (i.e. draining the leisure pools at off-peak times) could avoid incurring additional expense by avoiding the need for additional capacity and help use shared resources efficiently.

Deal structure/agreement and funding

- 7.62 The costs of remediating vast areas of former heavy industrial land, upgrading or introducing significant infrastructure including utilities, and the upgrading and maintenance of quay walls were significant barriers to be addressed in developing Queens Quay. As a response the establishment of a special purpose vehicle (in the form of the URC) was essential to access and focus public sector funding towards enabling development which otherwise would not be supported by the private sector because of the degree of risk.
- 7.63 Certain regeneration projects had also been funded as a result of deals on associated sites thereby releasing land or funds (e.g. Clydebank College). Other projects were delayed until such time as other off-site land deals could be completed to enable funding or commitment to proceed with replacement facilities for the town to be located at Queen's Quay (e.g. the Leisure Centre).
- 7.64 An important barrier identified by Clydebank Re-built has been the difficulty of agreeing a valuation for sites to be acquired at a value that was sufficiently attractive for the land owner and vendor to want to sell the land by agreement and yet be realistic enough to reflect site development costs for a mix of uses. This can raise issues for the District Valuer who has to

agree the final residual valuation on behalf of Clydebank Re-built. Another important barrier identified by Clydebank Re-built was the need, with hindsight, to look to use CPO procedures from an earlier stage so as to accelerate negotiations with problematic land owners. This could be coupled with a requirement for easier CPO procedures. Although under existing CPO arrangements the increase in value as a result of the development scheme is generally not included in the valuation and so this is a potential threat to an unwilling vendor and could therefore accelerate negotiations.

Tenure and ownership structures

7.65 Ownership was cited as a key constraint in delivering development at Queen's Quay. The difficulties and delays encountered in negotiating with private landowners with little incentive to release land 'banked' for future investment returns has proven a significant barrier to releasing the remainder of the land required for the next phases of development at Queen's Quay. The URC and its delivery company, by acquiring sole ownership and assembling land for the first phase of development on the 6.4 hectare site have overcome the barrier of assembling land in different land ownerships. As a result the URC has been able to deliver a comprehensive scheme at Queens Quay.

Managing mixed communities

7.66 The introduction of a common management agreement, applying to all land owners and occupiers, has proven to be a good model to apply to ensure the quality of maintenance in the shared and public realms. Supporting housing associations to improve skills and gain confidence to overcome a perceived conservativeness in their urban design approach to being part of a mixed community could be bolstered by more advocacy and training. (See Chapter 8)

Conclusions

7.67 Clydebank Re-built's experience at Queen Quay is instructive in demonstrating how a 'URC model' with a clear timeframe and clarity of purpose can overcome the following significant barriers: land assembly; securing buy-in; providing support and capacity to delivering mixed use and overcoming accepted property market views. The key tools to overcome the barriers were: capital funding to cover the costs of decontamination and 'up front' infrastructure; clear policy and place-making framework to guide development and a special purpose delivery vehicle. Active political support in this case from the MP and MSP were also vital. The case study also illustrates instances where barriers of land assembly are still present and have stifled development. The URC's concerted effort to transform perception of the town by residents, partners and investors has been successful and has been underpinned by establishing a vision, creating a design-led framework for delivery and then focussing on delivering high quality projects.

Case Studies: Overall Conclusions

7.68 The four case studies illustrate some similar and some different barriers to delivering mixed use development and offer tangible examples of how some of the barriers were overcome. The key overall conclusions are:

- A clear vision and concept driven masterplan based on place-making principles and market evidence is fundamental.
- Actively engaging with land/building owners, businesses, residents and external agencies like A+DS is essential.
- Ensuring the site is in single ownership can help to accelerate implementation.
- A special purpose vehicle like a URC or an effective joint venture is key to delivering mixed use, particularly where significant 'up front' development costs are incurred and where the accepted property market view is that demand is low.
- A housing association can often take the view that 'blocks' of affordable housing are easier to allocate and manage as opposed to being 'mixed in' with private/owner occupied housing. This view can also be seen to assist the developer but may run counter to the local planning authority's objective of achieving a mixed community.
- A common management agreement and effective management and factoring is necessary to ensure that the quality of the place is maintained.
- Narrowing the gap between the 'local authority' and 'developer' so as to build more trust is important as is the need to ensure that the appropriate skills to deliver mixed use development are available (See Chapter 8)
- Cross disciplinary and cross profession teams are essential in the public, private and third sectors in order to deliver mixed use development.

8 SYNTHESIS OF FINDINGS

Introduction

- 8.1 This chapter uses the evidence and findings from the literature review, local planning authority survey, stakeholder workshops, case studies, interviews and the expertise of the Research Team to present a synthesis of the key findings. The key findings and emerging recommendations and suggestions were presented and discussed at the second workshops. (See Appendix 2: Acknowledgements). This chapter uses the outcomes from the second workshops, to help prioritise the emerging recommendations and suggestions on ways of overcoming barriers to delivering more and higher quality mixed use development in Scotland.
- 8.2 The barriers that have been identified in Chapters 3 - 7 are **not clear cut or neatly defined in isolation. They overlap and are interrelated.** This is a 'cross cutting' issue and has implications for broadening the debate, knowledge and understanding of how to deliver more mixed use development and therefore the emerging recommendations from this research. The emerging recommendations also need to be set within the 'Modernising Planning' and 'Delivering Planning Reform' agendas (See Chapter 2) with an emphasis on less prescription, letting local circumstances drive local decisions, innovation, disseminating good practice, developing skills and improving performance. The fundamental aim of the reforms is to make planning quicker and more proportionate.
- 8.3 The initial findings are summarised using the following structure:
- Definition and Local Plan Commitment;
 - Planning and Place Making;
 - Deal Structure & Funding: Model To Deliver Mixed Use;
 - Tenure & Ownership Structures; and
 - Managing Mixed Use Communities.

Definition & Local Plan Commitment

- 8.4 The evidence from the first set of stakeholder workshops and the survey of local planning authorities shows that the term 'mixed use' is very loosely defined and the strength of commitment to promoting and delivering mixed use development in local plans has been variable. This has different implications for different scales of place-making and relative to different land use relationships. The participants at the second set of stakeholder workshops agreed that it would not be appropriate to try to impose a standard definition of mixed use but rather it was important to encourage local planning authorities through the new development plans to adopt a clearer more rigorous and specific definition that is appropriate to the **particular local context and location.** Successful communities require a full range of local services and facilities and these need to be conveniently sited and connected to residential areas by safe and comfortable routes.

The Urban Design Compendium (2004 & 2007)^{33 34} for example provides advice on contextual analysis, the characteristics of successful mixed use areas and background on achieving mixed use and place making principles.

8.5 Clearly successful mixed use development relates to density and intensification of uses and as such they should be an essential 'active ingredient' in a proactive, visionary development planning system. The attendees at the second workshop also highlighted that it was wrong to assume that the virtues of mixed use development were widely understood and therefore should not be taken as read. It seems that in Scotland there is a continuing need for a strong advocacy role that highlights the fundamental benefits of mixed use development including:

- More convenient access to facilities;
- Reduced travel to work congestion;
- Greater opportunities for social interaction and more socially diverse communities; and
- Improved energy efficiency and more efficient use of space and buildings.

8.6 One response would be to establish a Scottish mixed use development web site with best practice case studies, relevant images and advice material structured around barriers, as part of the Scottish Government's Mixed, Sustainable Communities Learning Network³⁵. The aim should be to advocate mixed use development to local government officers and members, community councils, residents and business groups to overcome some of the concerns raised throughout the research.

Planning & Place-making

8.7 In this context, the existing Scottish policy approach may in itself be 'limiting', for example, Scottish Planning Policy (SPP) and Planning Advisory Note advice tends to concentrate on specific themes or topic areas. This is being addressed by the Scottish Government through the replacement of the SPP series with a single (and much shorter) cross-cutting SPP.

8.8 As a result the land use planning is often left to 'iron out' the complexities of different uses and land values that permit different activities to take place. The Use Class Order system³⁶ also separates out uses of land and buildings into various categories, so that a 'Use Class' is a grouping together of similar land uses. Arguably the Use Classes Order is less relevant today and is a barrier to mixed use development.

³³ Urban Design Compendium: Llewelyn-Davies for English Partnerships & The Housing Corporation (2004)

³⁴ Delivering Quality Places: Urban Design Compendium 2; Roger Evans Ltd for English Partnerships & The Housing Corporation (2007)

³⁵ <http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/pir/learningnetworks/mixedcommunities/guidance>

³⁶ (Town and Country (Use Classes) (Scotland) Order 1997

8.9 'Delivering Planning Reform' is placing greater emphasis on 'translating policy into action' at local levels and for this to be implemented successfully in relation to delivering more and higher quality mixed use development will require a fresh approach and processes. Evidence from the case studies and a range of different mixed use projects indicates that the design process can be used to overcome many barriers and should be founded on five principles including:

- Establishing a clear shared vision of the mixed use development concept and using this to market the area.
- Actively working with land/building owners, businesses, residents and external agencies.
- Designing an effective masterplan that identifies strong simple concepts, place making principles, plans the long-term sustainable development of the area, is sensitive to the local built or rural context and local market conditions.
- Preparing a clear delivery structure that takes account of the interests of the public, private and third sectors.
- Establishing a costed and phased strategy that realistically, describes how the different phases of the mixed development will be delivered in the anticipated timescale

Advocacy: Architecture + Design Scotland (A+DS)

8.10 A+DS's aim as national champion for design quality in place-making and the built environment is to create places where "people want to be". A+DS have recently been subject of a review³⁷ that is intended to help to refine its responsibilities within the reshaped Built Environment sector. The review was a commitment that the First Minister made in January 2008 as part of a programme of simplification of public services. A+DS has already embarked on work programmes that go some way to addressing some of the issues around barriers to mixed use development (see Context Chapter 3) and therefore the Research Team concludes that A+DS is well placed to continue to play a role in advocating how to overcome barriers to mixed use development. A+DS's experience from their design reviews is that issues concerning urban structure are not well understood. A+DS already promotes mixed use through a variety of initiatives: in relation to its 'framework agreements' with health and education; through involvement with Urban Regeneration Companies (URCs); and the Scottish Sustainable Communities Initiative.

8.11 Whilst A+DS's design review function is not currently structured to immediately access specific data on mixed use development, this gap could be addressed by future monitoring to gauge the extent to which barriers to mixed use have been overcome. The topic of 'mixed use' might also feature

³⁷ Architecture & Design Scotland, Policy and Financial Management Review, Conducted by Tim Barraclough, April 2009

more strongly in informing design reviews. Data on mixed use might also usefully be reported as part of a 'lessons learned from design review' series. Overall, A+DS are well placed to play a more active role in advocating how to overcome design and place-making barriers to mixed use development.

Design Process & Technical Issues

8.12 The two series of workshops, interviews, the local planning authority questionnaire and the case studies have all shown that mixed use developments are perceived as more complex and slower to deliver than corresponding single function schemes. The case studies show that a major component of this perception is the complexity of negotiating the planning and technical approvals stages but these can be just as complicated in large scale single use developments.

8.13 The requirement to consult widely on significant frameworks and masterplans is possibly a little more complicated, with more detailed involvement from additional agencies for mixed uses schemes, e.g. environmental health and fire. Evidence from the workshops and the survey of local planning authorities highlighted that community resistance to certain uses being located adjacent to others and preconceptions regarding the definition of mixed use development can lead to difficulties and delays. Early briefing of local politicians, within the accepted code of conduct to ensure 'buy in' and forward thinking leadership is crucial. This approach fits well with recommendations from the research on 'Processing Planning Applications for National and Major Developments'³⁸ that includes recommendations on encouraging local authorities to:

- Adopt a more formal approach to pre-application discussions involving the full range of statutory consultees; and
- Prepare regular briefings for elected members on national and major planning applications in their area.

8.14 It was pointed out at the second workshops that as the number of governmental consultees within the planning process for major single or mixed use development increases, then there is an increased risk that individual technical 'silos' magnify the significance of minor design issues. This can create a disproportionate impact upon the emerging project and programme. The ability to get together all interested parties in *cross discipline technical workshops and cross department teams* can assist in resolving problems quickly and developing a shared understanding of the complex inter-relationships. This would enable working compromises to be achieved for the greater good of the project. Clearly the staff resources to

³⁸ Processing Planning Applications for National and Major Developments: Scottish Government Social Research, 2009
Research Findings: <http://www.scotland.gov.uk/Publications/2009/02/10131505/0>
Research Report: <http://www.scotland.gov.uk/Publications/2009/02/10131548/0>

dedicate to these events would have to be made available but time spent early in the planning process could lead to efficiencies and time saved later.

- 8.15 As illustrated by some of the case studies, masterplan design solutions for mixed use developments, often arrived at in tight timescales, can too easily become fixed with significant subsequent limitations preventing any refinement as a scheme evolves. The case studies also show that the opportunity to change site-related and functional mixes after the masterplan is approved can be difficult and time consuming because it required further submissions to the local planning authority. As a response, the re-introduction of 'working amendments' in all but the most sensitive settings would help maintain flexibility to evolve designs in response to changing requirements. This would need to be carefully handled so as not to be abused by developers who wanted to dilute important principles of a mixed use development.
- 8.16 The range of legislation facing any proposed development is significant but with mixed use schemes, each use category carries its individual requirements into the shared technical mix. Individual and logical technical requirements can become highly restrictive when placed into a mixed use development, for example: increasing distances between habitable rooms to avoid overlooking can force residential site densities down, reducing catchment populations and jeopardising the economic sustainability of local retail functions. In particular circumstances there could be a case to relax some of these standards and look to more innovative technical and design solutions.
- 8.17 Different technical issues become critical at different scales of development with the greatest complexity being in mixed use designs where different functions exist within the same structure e.g. vertical mixed use. The first Edinburgh workshop highlighted how historic models of residential accommodation and/or office space above ground floor retail become more difficult to replicate in modern developments. The building regulations, environmental health regulations, Secured by Design and Disability Discrimination Act, all tend to require solutions which segregate activities and define clear zones of 'ownership and responsibility'. Building regulations may also impose additional fire safety requirements when dealing with mixed use.
- 8.18 The second Edinburgh workshop highlighted the need for flexibility of function to be considered over time. In some cases developments start out as single use but are converted to mixed use as neighbourhoods mature. There are good examples in the New Town in Edinburgh and Park Circus in Glasgow of buildings evolving from residential to office use and then returning to residential use. To enable temporal flexibility the built fabric needs to be robust and adaptable, with the critical technical design factors being; structure, services strategy, sound insulation, floor plan depth and section heights.
- 8.19 One relevant topical example that could be promoted would be live/work units with an additional ceiling height of 4.4m which would allow for the

future insertion of a mezzanine floor as either a business or family expands. Enabling this kind of incremental growth produces a finer scale of transition and reduces the level of physical investment required as a function changes. (See Chapter 4)

Skills Development & Training

8.20 All four workshops and the local planning authority survey highlighted that delivering more and higher quality mixed use development will require relevant skills development at the appropriate levels in the public, private and third sectors. The recognition by central government of a skills gap in planning education is also well documented. Therefore, as the Royal Town Planning Institute has recognised, Continuing Professional Development (CPD) must become an even more essential part of the regular development of planners in practice. As a result, new ways of delivering specialist training to meet the new design agendas - including promoting the delivery of mixed use development - are emerging, including undergraduate non-accredited degrees and certification for block release training courses, sometimes forming part of degree courses³⁹. CPD is a commitment to lifelong learning, which constantly integrates learning into a professional's practice. This learning is not just confined to the individual; learning also needs to involve colleagues and managers in small teams in a continual effort to seek better collective practice, a point not often made in the literature⁴⁰.

8.21 The Improvement Service⁴¹ already delivers a Planning Development Programme/Design Awareness Training, but there is currently no dedicated 'mixed use' module. There is a clear need for a 'mixed use and sustainable place making module' in the Improvement Service Planning Development Programme. This should include an overarching element to cover deal structure, funding, development economics and management of mixed use development along with other aspects to reflect the multi disciplinary nature of mixed use. The module could also be used as part of a 'planning for non planners programme'.

'The Delivering Mixed Use' Training Package

8.22 In delivering mixed use, as with most other training, there are two aspects to any package. Firstly, the subject and the specific skills gap and secondly, how the subject can be delivered most effectively. The issues which are essential will need to be exactly defined but are likely to focus around the subjects arising in the interviews, workshops and local planning authority survey. These include:

³⁹ DETR/Univ. of Reading, 2000, para. 4.5.2; Johnston, 2000

⁴⁰ Dewar, 2002, p. 15

⁴¹ The Improvement Service was set up to support improvement in the efficiency, quality and accountability of public services in Scotland and is a partnership between the Convention of Scottish Local Authorities and the Society of Local Authority Chief Executives.

- **Planning barriers:** mixed use; appropriateness & location; spatial planning/place making, density & intensity, property values; planning & land use allocation; risk/uncertainty/change.
- **Deal structure and funding barriers:** stand-alone uses; land values & Section 75 contribution; mixed use: development vehicle; development economics
- **Residential and other leases barriers:** land tenure; title conditions; Development Management System; funding; residential quality/tenure; new financial instruments.
- **Managing mixed use communities barriers:** standards/regulations; user demographics; management of mixed use communities

8.23 Design and place-making issues, and this includes the process and technical topics (See paragraphs 8.12-8.19) that facilitate mixed use, are likely to be an essential element of the training package. The following wider aspects will also be integral to the training for a range of development professionals including planners, surveyors and urban designers:

- Ability to make decisions on whether mixed use is appropriate in specific locations and developments.
- Understanding of the value of interdisciplinary and interdepartmental working in achieving successful mixed use.
- Awareness of when it is necessary to request specialist advice.

8.24 This training could be carried out in a variety of ways. The Improvement Service has a range of options and providers which it supports for its Planning Development Programme/Design Awareness Training and training about mixed use might be dealt with in a similar fashion. Generally, the providers listed offer one or two day intensive courses.

Deal Structure & Funding: Model to Deliver Mixed Use

8.25 The issue of deal structuring to promote mixed use development was raised consistently as a significant barrier. Local planning authorities recognised it was an issue where they needed more advanced skills and this may be a particular issue for the smaller authorities who might not have the spread of specialist skills because they are likely to be involved in fewer large scale mixed use developments. The case studies and consultations highlighted the limited knowledge of different models for delivering mixed use development including the urban regeneration company model, single private developer and joint venture. To be effective, delivery models need to recognise that different parties to the funding and delivery arrangement have different objectives. From a funding, planning and physical delivery perspective the 'non profit making company model' can balance the flexible approach required for large scale and long time frame mixed use projects and the differing objectives of the public, private and third sectors. Overall

there is a need to increase knowledge of the principles of deal structuring and promote greater awareness of different possible approaches.

- 8.26 An alternative, following the granting of outline planning permission (being replaced by Planning Permission in Principle in August 2009) and in order to satisfy the Environmental Impact Assessments and Section 75 Agreements, is to use a 'Parameters Plan'⁴² approach. The Parameters Plan consists of a broad land use plan, together with maximum and minimum parameters on items such as site cover, residential density and building height. The Plan can form part of the consent granted by the local planning authority. In the case of a more significant development the Parameters Plan would allow an element of flexibility, given that the project will be developed on a phase-by-phase basis, with each phase standing alone. An Area Planning Brief (APB) could then be used to identify, in detail, the proposals by way of necessary infrastructure and subsequent development within that phase. Uniquely, the APB is a formal document which could be used more widely to effectively introduce a further layer of planning approval between outline (being replaced by Planning Permission in Principle in August 2009), and detailed permission but also speed up the early approval process and help to create more certainty.
- 8.27 Actively encouraging Councils to engage at an early stage in the development process, and to be privy to the detailed analysis and investigation of development options, helps 'close the gap' in understanding the different issues. This ensures that any issues have been dealt with at a fairly detailed level during the APB work and so help to smooth the process for obtaining detailed APB approvals.
- 8.28 The participants at the second workshop in Edinburgh supported the principle of establishing a small team of experts who could advise local planning authorities on structuring joint ventures to deliver mixed use development. There was some debate however in terms of how this team would be funded and organised and suggestions included being managed by A+DS, Scottish Property Federation, Royal Institution of Chartered Surveyors, Royal Town Planning Institute and Royal Incorporation of Architects in Scotland.
- 8.29 Attendees' at all four workshops underlined the importance in the current economic climate of putting in place new models to fund 'up front' major infrastructure for larger more complex mixed use developments: e.g. Tax Increment Financing and/or some kind of levy to fund community infrastructure were highlighted.
- 8.30 Another option is that business rates liability for new non-domestic properties could be amended so that new build mixed use subjects do not enter the valuation roll until they are occupied. The aim here would be to provide a particular incentive to deliver some speculative mixed use development rather than incur the 'penalty' and additional cost of paying 50% of rates after three months even if the property is not occupied.

⁴² Approach used by Ravenscraig Ltd and North Lanarkshire Council

Tenure & Ownership Structures

8.31 The first workshop participants highlighted that ownership and tenure are critical barriers to achieving a successful mixed use development and to managing the development in the longer term. Tenure and multiple ownership barriers however are not unique to achieving a successful mixed use development and can come into play in single use projects. In this context it is clear that some owners of town and city centre retail property are also reluctant to encourage residential use of the vacant or underused upper floors. More incentives will be required if this view is to be addressed. Fragmented ownership is a particular issue where residential uses have been introduced into a mixed use development, as the flats and houses provided are generally sold off whilst commercial units may be retained by the developer and leased. Recent legislation aims to make management and maintenance more effective but there is still a lack of real experience and good practice in implementing the legislation.

Managing Mixed Use Communities

8.32 The interviews and the first two workshops highlighted the potential barrier of the difficulty of reconciling different environmental health requirements including noise, smell, and refuse arrangements within a mixed use development. Addressing these issues at the early concept development and masterplanning stage through discussions is crucial. The downstream implications of Environmental Health rules for example can discourage developers from embarking upon a mixed use development and so work against good place making principles.

8.33 Attendees at the first set of workshops and evidence from the case studies, particularly Grandholm Mill and Quartermile, highlight that, as a result of the more intensive use and extended use patterns, regular and high quality maintenance is even more important with mixed use development so as to maintain the quality of the place and its inherent value.

Overall Conclusions: What are the most significant barriers?

8.34 Table 8.1 summarises the Research Team's findings by highlighting the key factors that act as barriers to delivering mixed use development in Scotland. The Table also highlights which are the most significant and which can be addressed by public policy action.

Table 8.1: Summary of Findings on Barriers & Significance

Barrier	Chapter Reference	Real/Perceived	Significance	Public Policy Action
1. Variation in Definition	4.2-4.8	Real	Medium	Yes
2. Local Plan: Clarity & Commitment	4.9-4.13	Real	High	Yes
3. Professions & Disciplines: Fragmented Approach	4.14	Real	High	No
4. Advocacy: Delivering Mixed Use	4.15-4.17 8.9-8.10	Real to overcome perceptions	High	Yes

Barrier	Chapter Reference	Real/Perceived	Significance	Public Policy Action
5. Skills Development: Place-making; Development Economics & Market Justification	4.18 & 4.26 5.4	Real	High	No
6. Planning & Development Management: Councillor & Community Resistance	4.14 4.19-4.21	Real	High	Yes
7. Design Process & Technical Issues	8.11-8.18	Perceived	Medium	No
8. Deal Structuring	5.8-5.10	Real for local planning authorities	High	No
9. Institutional Investors: Reluctant To Invest	3.28	Real & perceived	Medium	No
10. New Models To Deliver Mixed Use Development	5.4 & 5.6	Perceived	Medium	No
11. New Models To Fund Infrastructure	5.5	Real but not unique to mixed use	High	Yes
12. Tenure & Multiple Ownerships	6.5-6.9	Perceived and not unique to mixed use	Medium	No
13. Partner Agencies: Understanding Principles	4.28	Real & perceived	Low	Yes
14. Management Structure & Factoring Arrangements	6.11-6.18	Perceived	Medium	No
15. Empty Property Business Rates	8.30	Real and not unique to mixed use	Medium	Yes

8.35 A key objective for the research was to analyse how barriers differ depending on location: urban, suburban and rural and the mix of uses. With regards to location, the Research Team did not find sufficient evidence or compelling examples of significant mixed use development in rural locations and therefore found it difficult to draw conclusions. The role of mixed use development in rural economic development may need to be the subject of further research.

8.36 In terms of the mix of uses, the Research Team concluded that the barriers and issues identified above are similar for the spectrum of non residential uses (retail, office, workspace, restaurant, or other service use.) With regard to residential use as a component of mixed communities the research found that a housing association can often take the view that 'blocks' of affordable housing are easier to allocate and manage as opposed to being 'mixed within' a more significant private/owner occupied housing. This view can also be seen to assist the developer but might run counter to an ambition to promote mixed communities.

8.37 The two second workshops in March discussed these broad findings and tested the emerging recommendations and suggestions. The outcomes from these are reflected in the recommendations and suggestions in Chapter 9. The ranking order of support for the recommendations and suggestions from the two workshops is summarised in Appendix 6 with the three most popular suggestions being: new models for up front infrastructure funding; masterplans to reflect market and place issues and a requirement for different delivery models.

9 CONCLUSIONS & RECOMMENDATIONS

Overview: Conclusions

- 9.1 This research set out to identify **factors that act as barriers** to the delivery of mixed use development in Scotland and explore how the identified **barriers can be addressed** and what those **interventions** should be. In this context planning reform presents an ideal opportunity. A reformed, ambitious, visionary development planning system can assist in putting in place appropriate interventions to help deliver mixed use development. The emphasis on **‘translating policy into action’** and implementing this to deliver more and better quality mixed use development will require **appropriate skills**. In the current economic downturn there are likely to be very significant opportunities to stimulate and deliver appropriate mixed use development using new kinds of ‘delivery models’.
- 9.2 There are also likely to be very specific opportunities for local planning authorities in Scotland to adopt a more proactive role to sponsor, pilot, promote and deliver mixed use development projects that act as a catalyst to accelerate the wider regeneration of Scotland’s cities and towns. Scotland could at this time use this research as an opportunity to start to lead the way in demonstrating how to deliver high quality mixed use development.
- 9.3 On the basis of the findings in Chapter 8, the Research Team has developed a series of recommendations and suggestions in the form of interventions to overcome the identified barriers. These are set out below.

Recommendation 1: Scottish Government to Enable Provision of More Proactive Advice on How to Deliver Mixed Use Development & Improve Skills

- 9.4 **Suggestion 1:** There is a pressing need to refine the working definition of what we mean by mixed use development. The definition of mixed use development that emerged from this research includes the following three principles:
- Two or more revenue producing uses / activities;
 - Significant physical and functional integration including real physical connections between uses within a five minute walk; and
 - A higher density, multi functional environment with vitality and attractiveness (see paragraph 4.8).
- 9.5 It would not be appropriate however to adopt a standard national definition of mixed use development in Scotland because of the need to reflect the local contexts and circumstances. In particular the scale of the opportunity: plot, street block and neighbourhood are all very different. Reviewing the working definition above could be led by Architecture & Design Scotland.

- 9.6 **Suggestion 2:** Using an agreed clearer definition would also allow for more robust and accurate statistics to be collected as part of the regular Planning Performance Statistics evidence base. This would also allow the implementation of mixed use development across all the Scottish local planning authorities to be monitored.
- 9.7 **Suggestion 3:** Establish a Scottish mixed use development web site with best practice case studies, relevant images and advice material structured around barriers, possibly linked to the Scottish Government's Learning Network and the recently launched Mixed and Sustainable Communities Learning Network. Overall planning policies on mixed use development need to be more precise and firmly founded on an understanding of realistic market opportunities for uses and policies should require rather than just encourage mixed use. Robust capacity and market studies are required to help justify mixed use masterplans, set their context and specific location.

Recommendation 2: Initiative To Promote Delivery Of Mixed Use Development

- 9.8 The overall aim should be to be proactive and advocate mixed use development to local government officers and members, community councils, residents and business groups, to collect and share good practice and invest in resources, tools and research. This would help to overcome some of the concerns raised in the questionnaire responses, by house builders and commercial developers.
- 9.9 **Suggestion 4:** Local authorities should be clear and robust in their local definition of mixed use based on Suggestion 1 above and identify opportunities based on capacity and market studies and so confirm the mixed use proposals and locations in their emerging development plans.
- 9.10 **Suggestion 5:** Local authorities should audit their skills base and identify their particular training and recruitment needs so as to deliver effective mixed use development. They could then put in place appropriate arrangements to ensure a more 'joined-up' approach to deliver mixed use development across different departments and disciplines like Planning, Urban Design, Transport, Estates and Environmental Health.
- 9.11 **Suggestion 6:** Ensure that the Improvement Service and professional institutes like the Royal Incorporation of Architects in Scotland (RIAS), Royal Institution of Chartered Surveyors (RICS) and Royal Town Planning Institute (RTPI), through CPD, to deliver relevant skills development and training at the appropriate levels to secure more and higher quality mixed use development. This should include development economics, markets and delivery topics.
- 9.12 **Suggestion 7:** Encourage local planning authorities, as good practice to establish cross disciplinary/department/service teams both to promote and help deliver mixed use development and to negotiate on mixed use developments that have reached the stage of a planning application. This could include temporary secondments into 'developer teams' and vice versa.

- 9.13 **Suggestions 8:** Explore how to establish a small team of independent experts possibly in conjunction with the Improvement Service or Scottish Property Federation, who could provide specific advice to local planning authorities on structuring joint ventures to deliver mixed use development.

Recommendation 3: Enhanced Advocacy Role for Architecture & Design Scotland (A+DS)

- 9.14 **Suggestion 9:** A+DS's remit includes 'translate policy ambitions into action'; hence it may be possible for A+DS to naturally take on an enhanced advocacy role in promoting the delivery of mixed use development particularly in the context of planning reform and the economic downturn. A+DS should be involved in researching, publishing and disseminating best practice advice on delivering mixed use development. This suggestion could be considered as part of response to the recent review to refine the responsibilities of A+DS. (see 8.10)
- 9.15 Other opportunities for A+DS to work to overcome barriers to mixed use may exist through engagement with forthcoming A+DS initiatives including: housing charettes; future Scotland debate series and possibly town centre regeneration.

Recommendation 4: Encourage & Pilot New Approaches to Deal Structure: Funding & Managing Mixed Use Developments

- 9.16 **Suggestion 10:** Explore different models to deliver mixed use development and disseminate best practice. The joint venture/ non profit company route based on an 'open book' approach may offer an alternative model but it would be for the parties involved to identify what is best for them. There could also be opportunities resulting from the current economic climate and alongside local planning authorities' prudential borrowing to proactively pilot a 'live' mixed use project.
- 9.17 **Suggestion 11:** Explore the possibilities of using Outline Planning Permission (Planning Permission in Principle from August 2009) with a Parameters Plan and then Area Planning Briefs to smooth the path through planning/development management for well conceived mixed use development with a researched and robust masterplan that covers market justification and design issues equally.
- 9.18 **Suggestion 12:** As a more radical intervention, the Scottish Sustainable Communities Initiative could in the appropriate circumstances work in a pilot project with a local planning authority and a promoter/developer. The aim would be to deliver mixed use development using a 'flexible' planning permission within certain parameters that allows the proportions of different uses to change depending on market conditions but within an agreed masterplan.
- 9.19 **Suggestion 13:** Consider new models for funding 'up front' major infrastructure for larger more complex mixed use developments: e.g. Tax Increment Financing

9.20 Suggestion 14: Amend business rates liability for new non-domestic properties within mixed use developments in order that new build mixed use subjects do not enter the valuation roll until they are occupied or void relief is extended to 100% indefinitely for new build non domestic properties in mixed use developments that remain vacant.

9.21 Suggestion 15: Aim to better promote the use and benefits of the legislation that affects multiple residential ownerships and this could be undertaken by a range of professional bodies including RICS and be part of CPD training programmes.

9.22 More details on timing, responsibility, value for money and risks relating to these recommendations and suggestions are summarised in Table 9.1.

Table 9.1: Implementing the Recommendations & Suggestions

Recommendation Suggestion	Timing	Responsibility	Financial Implications Value for Money	Potential Risk
1. Clearer definition	Short	Local planning authorities with Scottish Govt.	Very Low Good VFM	Depends on willingness of local planning authorities
2. Accurate statistics	Short	Local planning authorities with Scottish Govt.	Very Low Good VFM	Local planning authorities commitment critical
3. Learning Network	Short	Scottish Govt.	Very Low Good VFM	Mixed Sustainable Communities Learning Network ⁴³ has been launched
4. Local planning authorities to identify opportunities	Short/ Medium	Local planning authorities	Low Good VFM	Depends on commitment of local planning authorities
5. Local authorities to audit skills base & 'joined-up' delivery	Medium	Local authorities	Low Good VFM	Depend on local authorities action
6. Skills development & training	Medium	Improvement Service/ RICS/RTPI/RIAS/SPF	Medium Good VFM	Depends on additional funding to Improvements Service
7. Cross disciplinary teams	Medium	Local planning authorities	Very Low Good VFM	Depends on local planning authorities
8. Small team of experts	Medium	Scottish Govt.	Medium Good VFM	May be political resistance and public liability insurance issues for individuals
9. A+DS enhanced advocacy role	Short	A+DS	Medium Good VFM	Depends on additional funding for A+DS
10. Promote	Medium	Scottish Govt.	Low	Depends on Mixed

⁴³<http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/pir/learningnetworks/mixedcommunities>

Recommendation Suggestion	Timing	Responsibility	Financial Implications Value for Money	Potential Risk
alternative models		Learning Network	Good VFM	Sustainable Communities Learning Network
11. Parameters Plan & Area Planning Briefs	Medium	Scottish Govt. Learning Network Local Planning authorities	Medium Good VFM	Depends on Mixed Sustainable Communities Learning Network
12. SSCI * pilot project	Long	SSCI	Medium Good VFM	Depends on Scottish Sustainable Communities Initiative
13. Tax Increment Financing	Medium	Scottish Govt.	Medium Good VFM	Establish a Scottish pilot project
14. Amend business rates liability	Long	Scottish Assessors.	Need to be assessed VFM to be quantified	Depends on Scottish Assessors and local authorities. Legislation could not be introduced quickly
15. Promotion of multiple residential ownerships	Long	Scottish Govt. RICS	Need to be assessed VFM to be quantified	Depends on Scottish Government/RICS priorities

SSCI: Scottish Sustainable Communities Initiative
RIAS: Royal Incorporation of Architects in Scotland
RTPI: Royal Town Planning Institute
RICS: Royal Institution of Chartered Surveyors
SPF: Scottish Property Federation
A+DS: Architecture + Design Scotland
VFM: Value for Money

BARRIERS TO DELIVERING MIXED USE DEVELOPMENT

Appendices

1	METHODOLOGY DIAGRAM	68
2	ACKNOWLEDGEMENTS: INDIVIDUALS WHO CONTRIBUTED TO THE RESEARCH	69
3	A+DS'S COMMENTS IN RELATION TO SCOTTISH GOVERNMENT COMMISSIONED RESEARCH ON: 'BARRIERS TO DELIVERING MIXED USE DEVELOPMENT'	72
4	LOCAL PLANNING AUTHORITY SUVEY RESPONSES	76
5	CASE STUDIES	92
6	EMERGING RECOMMENDATIONS AND SUGGESTIONS (EDINBURGH & ABERDEEN WORKSHOPS COMBINED RESULTS)	106
7	RESEARCH TEAM	108

1 METHODOLOGY DIAGRAM



2 ACKNOWLEDGEMENTS: INDIVIDUALS WHO CONTRIBUTED TO THE RESEARCH

Workshop Attendees

Name		Position	Organisation
Alan	Aitken	Senior Planner, Planning, Development and Property Assets	East Dunbartonshire Council
Les	Banks	Project Co-ordinator, Planning and Transportation	Dundee City Council
Archie	Blair	Partner	G L Hearn
Piers	Blaxter	Planning Policy Team leader	Aberdeenshire Council
Gordon	Campbell	Senior Manager Social Housing	Dunfermline Building Society
Neil	Clapperton	Director of Housing and Property	Grampian Housing Association
Toby	Coke	Planner, Major Projects	Aberdeen City Council
Neil	Collar	Partner	Brodies LLP
Eric	Dawson	Design Advisor	Architecture and Design Scotland
Jane	Dennyson	Marketing & Sustainability	Waterfront Edinburgh Ltd
John	Duncan	Director of Property and Renewal	River Clyde Homes Ltd
Liam	Fennell	Director of Real Estate Finance, Global Marketing and Markets	Royal Bank of Scotland
Jim	Fitzsimmons	Chief Executive	Cappella Group
Brenda	Higgins	Director of Regeneration & Development	Linkwide Ltd
Andrew	Howard	Managing Director	Moray Estates Development Company
Colin	Hunter	CEO	Waterfront Edinburgh Ltd
David	Jack	Senior Executive	Ernst & Young
Fionna	Kell	Associate Director	DTZ
Nicole	Le Vaillant	Tornagrain Development Manager	Moray Estates Development Company
Allan	Lundmark	Director of Planning	Homes for Scotland
Riccardo	Marini	City of Edinburgh Council Design Adviser	City of Edinburgh Council
Damian	McAfee	Principal Practitioner, Planning and Strategy	City of Edinburgh Council
Euan	McLaughlin	Planning Officer, The Environment Service	Perth & Kinross Council
Heather	McNaughton	Head of Neighbourhood Regeneration	Scotland Castle Rock Edinvar Housing Association
Blair	Melville	Head of Planning Strategy	Homes for Scotland
Bob	Millar	Chief Executive	New City Vision
Sandy	Morrison	Director	HTA Architecture
Sandy	Murray	Chief Executive	Tenants First
Colin	Proctor	Partner	Davis Langdon MacKenzie
Dr Mark	Robertson	Head of Planning	Ryden
Neil	Ross	Business Development Manager	Places for People

Name		Position	Organisation
Neil	Rutherford	Assistant Director, Corporate Finance	PricewaterhouseCoopers LLP
Richard	Slipper	Partner	GVA Grimley
Andrew	Stewart	Senior Planner	East Lothian Council
Michaela	Sullivan	Head of Planning	Forth Ports Plc
Steve	Tolson	Director	Ogilvie Group
Stephen	Tucker	Director	Turley Associates
Jim	Whiston	Director	Ayrshire Housing
Dominic	Wilkinson	Urban Designer	Austin-Smith:Lord

Scottish Government: Workshop Attendees

Jonathan	Waite	Research Officer	Scottish Government
Stephen	Hall	Senior Planner	Scottish Government
Shona	Harper	Principal Estates Surveyor	Scottish Government
Alex	Hagon	Economist	Scottish Government
Laura	Johnstone	Principal Research Officer	Scottish Government

Research Team: Workshop Attendees

Douglas	Wheeler		Douglas Wheeler Associates
Gillian	Macfarlane		Douglas Wheeler Associates
Annie	Flint		Ann Flint Associates
Graham	Ross		Austin-Smith:Lord
Derek	Fraser		Edinburgh College of Art

Individuals Interviewed

Name		Position	Organisation
Sandy	Beattie	Team Leader, Physical Planning, Strategic Leadership	Aberdeen City Council
Eric	Dawson	Design Advisor	Architecture + Design Scotland
Jim	Fitzsimons	Chief Executive	Cappella Group Ltd
Colin	Frame	Principal Surveyor	Falkirk District Council
Jonathan	Guthrie	Strategic Development Partnership Director	City Development: City of Edinburgh Council
Andrea	Joyce	Sales & Marketing Manager	CALA Homes
Colin	MacPherson	Development Director	Gladedale Capital
Eleanor	McAllister	Managing Director	Clydebank Re-built
Paul	Pillath	Head of Conservation & Design	Aberdeen City Council
Walter	Tombleson	Chairman	Grandholm Village Residents Association
Angela	Williams	Head of Architecture	Architecture + Design Scotland

**Local Planning Authorities:
Contacts & Questionnaires Completed**

Name		Position	Organisation
Alan	Aitken	Planning, Development & Property Assets	East Dunbartonshire Council
Andrew	Maxwell	Planning & Environment	Dumfries and Galloway Council
Andrew	Stewart	Environment	East Lothian Council
Antony	McGuinness	Planning & Economic Development	East Ayrshire Council
C	Davidson	Strategic Services	Midlothian Council
Dorothy	McDonald	Development Planning (Environment)	East Renfrewshire Council
Eric	Anderson	Development & Regeneration Services	Glasgow City Council
Ian	Duguid	Development Services	Clackmannanshire Council
Kenny	Campbell	Development Planning	South Ayrshire Council
Les	Banks	Planning & Transportation	Dundee City Council
Malcolm	Macleod	Planning & Development Service	Highland Council
Margaret	Ferrier	Legal & Protective	North Ayrshire Council
Michael	McGlynn	Planning & Building Standards	South Lanarkshire Council
Peter	Marshall	Environment Service	Perth & Kinross Council
Robert	Gray	Planning & Environmental Services	Aberdeenshire Council
Roddy	MacKay	Development Services	Orkney Islands Council
Sandy	Beattie	Planning & Infrastructure	Aberdeen City Council
Stephen	Hajducki	City Development (Planning)	City of Edinburgh Council
Stephen	Lovell	Development Planning	West Lothian Council
			Loch Lomond & Trossachs National Park

3 A+DS'S COMMENTS IN RELATION TO SCOTTISH GOVERNMENT COMMISSIONED RESEARCH ON: 'BARRIERS TO DELIVERING MIXED USE DEVELOPMENT'

Introduction

- 3.1 This response draws on evidence and experience gained through A+DS's design review, enabling, urbanism, and other programmes or work activity.
- 3.2 Mixed use development is commonly regarded as desirable; concepts of mixed use and mixed communities are seen as central to achieving sustainable places that minimise travel and support local demand for goods and services in a walkable catchment. Our experience is that there is a lack of detailed understanding of the subject. We therefore welcome this research.

Barriers to Mixed Use - General Comments

- 3.3 As evidenced from the research workshops, the topic and the barriers to be overcome are varied and complex. There is no absolute definition of 'mixed use', and the term may be widely applied with varying connotations relative to scales of activity, and differing land use relationships. Mixes of uses exist horizontally and vertically; adjacent pockets of single use are claimed to represent mixed use development.
- 3.4 The issue is linked to economics with implications for land ownership, place management, short term development interest and long term investment strategies. Private sector delivery is typically driven by 'what the market demands', historical data analysis and operator/user requirements. Mixed use proposals may be challenging; single use projects are perceived to limit risk. Such thinking influences attitudes and ambition. Purely 'market driven' views do not account for externalities resulting from poor environments that fail to create sustainable places.
- 3.5 Whilst unit value is readily understood and quantifiable, place value is less so. Rarely, in our experience, has the whole life potential of urban form been assessed; only occasionally is the integration, impact and influence on uses outwith a red lined boundary considered.
- 3.6 Contexts change, and an ability to be flexible or adaptable over time is dependent on an understanding of urban structures that permit 'long life, loose fit'. Although relationships at various scales differ, key ingredients remain broadly constant: a structuring framework of block, street and plot that set the context for land use, density, accessibility and permeability. Choice is gained through appropriate densities which support facilities and services, permeable networks that aid footfall, and mixed uses that activate and enliven places.

- 3.7 It may not be practical or desirable for everywhere to be 'mixed use', but the planning of places should contribute positively to creating cohesive mixed use environments. A breakdown in understanding has created tensions resulting from the impact of what are typically monotype edge of settlement places – housing or business/retail/commercial parks - on the vibrancy and vitality of established places. In some cases the rationale of existing settlements has been undermined.

A+DS Observations

- 3.8 Of the emerging themes A+DS's interests most closely associate with 'planning and placemaking'; however, barriers overlap and intertwine, and this has implications for broadening awareness of the topic, and for how a skills training course might be structured.
- 3.9 It is possible to draw broad observations from A+DS's design review function. In relation to health and schools projects, reports have suggested that proposals might better integrate with their urban context. Comments relating to masterplan projects have advocated the benefits of mixed use which: ensures activity at different times of day; integrated mixed use communities bring together residential, employment, retailing and other uses, along with easy access to good public transport connections. In general masterplans proposing single use zonings have been the least well received at design review.

Overcoming Barriers – Opportunities

- 3.10 Planning reform presents an opportunity; particularly in relation to a reformed ambitious visionary development planning system that guides what goes where and why.
- 3.11 The rationalisation of national policy (SPP's, etc) will place greater emphasis on 'translating policy into action'; and implementing this will require appropriate skills at the appropriate levels.
- 3.12 The current economic downturn offers a chance to stimulate and deliver development, and there may be opportunities for the public sector to adopt a more proactive role to sponsor, promote or pilot projects that act as a catalyst to achieve broader mixed use development.
- 3.13 A+DS's role is to 'translate policy ambition into action'; hence there is scope for A+DS to take on an enhanced role, particularly in the context of planning reform and economic downturn.

How A+DS is Contributing

- 3.14 A+DS's aim is to create places where people want to be. To achieve this requires an understanding of the spatial implications of sustainable economic growth, in order to guide what goes where and why. Our experience through design review is that issues concerning urban structure are not well understood. Our work activity therefore seeks to address this.

3.15 A+DS actively promotes mixed use through a variety of activity: in relation to its framework agreements with health and education; through involvement with URC's; and inputting into the SSCI process. Furthermore work programmes have been initiated based on:

- Visioning – considering place futures and the necessary conditions to make them work
- Delivery – facilitating practical methods that deliver tangible outcomes
- Effective use of public sector assets - aligning public sector investments and community interests to create the conditions for viable places which support a range of uses
- Delivering planning reform - working jointly with other agencies to achieve better places.

(More detailed information on this is provided below)

3.16 Other opportunities for A+DS to work to overcome barriers to mixed use may exist through engagement with forthcoming housing charettes, future Scotland debate series, and in relation to as yet uncommitted (or undefined) areas, such as the Scottish Futures Trust, town centre regeneration, etc.

3.17 Whilst A+DS's design review function isn't currently structured to immediately access specific data on mixed use development, this might feature in future monitoring to gauge the extent to which barriers to mixed use have been overcome. The topic of 'mixed use' might also more strongly inform a design review conversation. The gathering of data on mixed use might usefully be reported as part of the 'lessons learned from design review' series.

Appendix: Detailed Examples of How A+DS is Making a Contribution

3.18 City Visioning: thinking about what kind of place and the necessary conditions to make it work - Highland Council / Inverness City Vision; Stirling Council / Stirling vision; University of Strathclyde research: urban structures over time, what works and why.

3.19 Renaissance Towns: align public sector investments and community interests to create the conditions for viable places which support a range of work, retail and residential amenities. East Renfrewshire / Neilston; consider alternative models of using local assets in public sector ownership as levers in achieving better urban development. This may include the development of 'local asset based vehicles', where the public sector retains equity in the delivery process by putting in the land and using say prudential borrowing to match private sector capital. The approach means that the public sector is not just a passive participant using the regulatory framework of the local plan; they become an active and important participant.

3.20 Support to Local Authorities: e.g. Fife in Strategic Land Allocations, giving critical feedback on urban structure and urban form assumptions.

- 3.21 Inverclyde: examine how public sector partners through processes of strategic asset management might rationalize land and property holdings to achieve savings, generate long life value and improve service delivery. This investment, aligned with investment through single outcome agreements and planning alignment through spg and local plan frameworks create the infrastructure for sustainable places with mixed use potential.
- 3.22 Housing charettes; looking at the urban block in island, small town, mixed use and city centre contexts [mixed use might be island/small town/city].
- 3.23 Clydegateway charette proposed to look at the Dalmarnock to Bridgeton axis and how a street, blocks and plot structure could be organized to support a long life loose fit concept for a regenerating area of the city
- 3.24 Planning reform – deliver A+DS's SIP; work with joint agencies to understand the spatial consequences of sustainable economic growth to guide what goes where and why.

12 March 2009

4 LOCAL PLANNING AUTHORITY SURVEY RESPONSES

Responses

- 4.1 Responses were received from 19 planning authorities (including one National Park). All four large urban areas were represented. The remaining responses could be divided roughly equally between authorities with a mixed urban and rural population (defined as having over half the population being in urban settlement areas) and rural authorities (defined as having less than half the population living in urban settlements). The responses described below and in the main body of the report should therefore be representative of the activity in mixed use development across Scotland.

Table 1 Planning authorities responding to survey on mixed use development

ABERDEEN CITY COUNCIL
City of Edinburgh Council
Clackmannanshire Council
Dumfries and Galloway Council
Dundee City Council
East Ayrshire Council
East Dunbartonshire Council
East Lothian Council
East Renfrewshire Council
Glasgow City Council
Highland Council
Loch Lomond & Trossachs National Park
Midlothian Council
North Ayrshire Council
Orkney Islands Council
Perth & Kinross
South Ayrshire Council
South Lanarkshire Council
West Lothian Council

Policy Implementation

- 4.2 Respondents cited 33 plans having been made in the past 5 years (see Table 2). More than one type of policy response was included in each plan with almost two thirds of respondents specifying mixed use locations where applications for mixed use would be allowed (the weakest policy response), just under half specifying mixed use being preferred and just over half requiring mixed use.

Table 2 Number of plans developed in the past 5 years and the percentage that require, prefer or allow mixed use

Number of plans approved	Percentage of plans REQUIRING mixed use in specified locations	Percentage of plans PREFERRING mixed use in specified locations	Percentage of plans ALLOWING mixed use in specified locations
33	55%	45%	64%

4.3 This is somewhat at odds with the analysis of the policy statements made where the actual verbs used to describe the planning authorities response to mixed use proposals were analysed (see Table 3 below).

Local Plan Response to Mixed Use

4.4 Planning authorities were asked how often sites were identified for mixed use in the new plans (see Table 3). In 60% of cases, planning authorities “sometimes” identified sites for mixed use. In less than a third of cases did the plans “often” identify sites for mixed use development. It is not possible to say just how much the promotion of mixed use was in a planning authority’s mind when a plan was being developed and just how often the authority had considered the concept of mixed use and then decided that it was not relevant. However, this response does suggest overall that planning authorities could do more to promote mixed use in their local plans.

Table 3 How often sites in local plans have been identified for mixed use over past 5 years

	Number of responses	%
Never	0	0%
Rarely	2	10%
Sometimes	12	60%
Often	6	30%
Always	0	0%
answered question	20	

Analysis of Mixed Use Policies Supplied

4.5 The responses in tables 4 – 7 are derived from analysis of the policy extracts defining mixed use that respondents were asked to provide. A total of 44 policy extracts were analysed and then grouped according to:

- The verb used to describe the planning authority’s approach to enforcing mixed use i.e. would they simply *permit* mixed use or would they *encourage/ prefer* or *require* mixed use?
- The types of area or site where mixed use was thought to be suitable or useful.

- The method or tool used to set out the mixed use requirement. This could range from a “strategic policy” to design guidance.
- Finally, the analysis looked at how much description was provided of what could be considered mixed use. This is perhaps the most subjective of the analyses as the remainder all depend on the actual words (if any) used.

4.6 In table 4, somewhat contrary to the statements shown in table 2, the actual words used in the policy extracts submitted suggested that “encouragement” was a more common response than was a “requirement”. If the planning authority uses the word “encourage” in relation to a site, then, presumably, if a developer comes back with a proposal for single use development, the planning authority is in a fairly weak position in terms of holding out for a mixed use development. On the other hand, a planning authority that *requires* mixed use may find that it is holding back the development of a site if it has not correctly assessed the market for the potential range of uses that might be suitable.

Table 4 Analysis of mixed use policy extracts - degree of enforcement stated

Degree of enforcement	Number of responses	%
Mixed use allowed	5	11%
Mixed use encouraged or preferred	20	46%
Mixed use required	13	30%
None	6	14%
Total	44	

4.7 As outlined in table 5, over a third of the policy extracts submitted referred to major new housing developments of at least several hundred new houses. Transport issues are often mentioned and major community facilities such as new schools are often required to be built by the developers. (Note: at least 3 of the new housing areas mentioned were in one planning authority area.) The “vibrant” city or town centre or new “quarters” where mixed use might be expected were referred to in a slightly smaller number of cases.

Table 5 Analysis of mixed use policy extracts - types of area referred to in policy

Types of area referred to in policy	Number of responses	%
Major new housing area	17	39%
City / town / village centre	8	18%
Waterfront or “quarter”	5	11%
Brownfield	4	9%
Other	4	9%
None given	6	14%
Total	44	

- 4.8 Table 6 looks at how planning authorities intend to implement their policies on mixed use. The use of statements and policies in the local plan was the most common method used but the declaration of specific mixed use areas was almost as common. Masterplans and development frameworks were also very common tools used to achieve mixed use proposals. While such planning mechanisms are clearly useful for developing the most appropriate type and location of mixed use, there must sometimes be a question of what force the masterplan will have, particularly where the masterplan may be in contravention to the local plan provisions.

Table 6 Analysis of mixed use policy extracts - policy implementation instrument referred to

Policy implementation instrument referred to	Number of responses	%
Local plan policy	12	27%
Mixed use or mixed development area	11	25%
Masterplan	9	21%
Development framework or guidelines	5	11%
Detail policy	2	5%
STRATEGIC POLICY	2	5%
Other	1	2%
None	2	5%
Total	44	

- 4.9 The level of definition or description of mixed use (table 7) was seldom specific with most planning authorities leaving developers to come forward with their own proposals. The highest and most prescriptive descriptions given came almost exclusively from one planning authority where major new housing developments of over 1,000 houses were being planned.

Table 7 Analysis of mixed use policy extracts - level of description of mixed use given

Level of description of mixed use given	Number of responses	%
None	16	36%
Low	13	30%
Medium	11	25%
High	4	9%
Total	44	

Achievement of Mixed Use

- 4.10 Having established that most planning authorities would only “sometimes” identify sites for mixed use, it was a little disappointing to note that only something under half of authorities felt that most of the sites identified were then actually developed for mixed use (see table 8). This may be linked to

the relatively low number of planning authorities that *required* mixed use on identified sites.

Table 8 Estimated number of sites identified for mixed use that have actually delivered mixed use.

	Response Frequency	Response Count
None	17%	3
Few	22%	4
Some	17%	3
Most	44%	8
All	0%	0
Answered question		18

4.11 Table 9 calculates that a median of 7.5% of major developments and 5% of new neighbourhood zones had been developed for mixed use. This figure, shown in table 9, can be used to derive an estimate of the total number of mixed use developments nationally by multiplying the median by the nationally available figure of major developments (from planning authority returns)¹. With approximately 2,000 major planning applications across Scotland per annum between 2004 and 2007, this suggests that there will have been some 125 mixed use developments per annum.

Table 9 Percentage of major developments estimated to have been developed for mixed use since April 2004.

	Approx % of single site MIXED use developments ('vertical')	Approx % MIXED use neighbourhoods smaller than approx 5Ha ('horizontal')
Under 10%	7%	7%
10 - 25%	5%	4%
25% - 50%	2%	1%
More than 50%	1%	1%
Median	7.5%	5%

4.12 With over 50% of respondents expecting the number of mixed use applications to increase over the coming years (table 10), the figure of 7.5% of major developments being mixed use can be expected to increase.

¹ Figures derived from 'Planning Performance Statistics 2004-2007'
<http://www.scotland.gov.uk/Resource/Doc/210804/0055721.pdf>

Table 10 Opinions on whether the proportion of applications for mixed use is likely to increase, decrease or stay the same in the coming 3 years.

Answer Options	Response Frequency	Response Count
Increase considerably	6%	1
Increase somewhat	47%	8
Stay the same	35%	6
Decrease somewhat	12%	2
Decrease considerably	0.0%	0
Answered question		17

Analysis of Examples Provided – The Uses Proposed

4.13 A total of 19 examples were provided by survey respondents. The research team classified the examples into types (“horizontal” areas of mixed use, “vertical” single sites with a mixed use and new mixed use neighbourhoods) according to the information given. Table 11 shows the breakdown of these by type. Again, the predominance of new neighbourhoods is shown with the remaining mixed use examples being divided almost equally between horizontal (mixed use areas) and vertical (single site) mixed uses.

Table 11 Types of mixed use provided by examples

Type of mixed use	Number of examples
Horizontal (areas of mixed use)	5
Vertical (single sites with mixed use)	6
New neighbourhood	8
Total	19

4.14 Table 12 shows the primary and secondary uses of the examples. Again, residential use was the predominant primary use with 7 having what might be termed “associated commercial developments” taking place. (These associated developments included shops, offices and commercial facilities.) A small number of examples had leisure, retail or commercial primary uses, often with residential as a secondary use. One such use was a new surgery with flats above.

Table 12 Primary and secondary uses in examples

Use type	Number of examples where this was a primary use	Number of examples where this was a secondary use
Residential	11	3
Leisure	3	1
Retail	3	2
Commercial	1	0
Office	1	4

Associated commercial	0	7
Health	0	1
Industrial	0	1
Total	19	19

4.15 There is no way of knowing exactly how representative these examples are of all mixed use developments in Scotland. However, if they are representative, then the majority of mixed use developments in Scotland will comprise new suburbs with neighbourhood centres.

Barriers for Planning Authorities in Implementing Mixed Use Schemes

4.16 The following tables show planning authorities' perceptions of the barriers to mixed use, both for themselves and for developers. The barriers for developers will therefore be those that have been identified at second hand by planning authorities.

4.17 Table 13 shows the answer options and the score that was given to each answer. These scores prioritised, for planning authorities, barriers that were more significant for them and, for developers, barriers that were thought to be significant for a number of developers as opposed to a small minority.

Table 13 Scoring plan for barriers to mixed use

Answer Options	Not significant for the LA	For the LA, as significant as for single use	For the LA, more significant than a single use	Known to have been a significant issue for a small minority of developers in this area.	Known to have been a significant issue for a number of developers in this area
Scoring plan	0	1	2	1	2

4.18 As outlined in table 14, the highest scoring barriers to mixed use development for planning authorities were concerns about community perceptions and residents' objections and the management of juxtaposing potentially conflicting uses.

Table 14 Significance of barrier to planning authority

Rank	Type of barrier	Barrier	Significance score for PA
1	Residential use	Concerns about objections to neighbouring commercial uses from residential owners in mixed use developments	22
2	Scheme management	Conflicting activity patterns of different users at different times of the day/night	22

Rank	Type of barrier	Barrier	Significance score for PA
3	Other development	Difficulties establishing an effective development agreement between the various parties involved in the project	19
4	Other development	Need to involve a large number of disciplines	18
5	Other development	Provision and funding of infrastructure	17
6	Other development	Difficulty of combining various environmental health and other protective standards	16
7	Scheme management	Difficulty of agreeing improvements between a variety of ownerships	16
8	Other development	Difficulties with establishing a suitable development vehicle	15
9	Planning	Overall length of planning application process	14
10	Other development	Difficulties identifying a suitable promoter/developer	14
11	Other development	Identifying suitable trading uses / commercial uses	12
12	Planning	Expense of planning application process	11
13	Planning	Council members don't like mixed use	11
14	Other development	Difficulties with establishing suitable leases	10
15	Other development	Other professions don't understand issues / rationale / requirements of mixed use developments	10
16	Finance	Mixed use projects have lower land values	10
17	Finance	Mixed use developments require more off site infrastructure	10
18	Other development	Other LA departments do not understand rationale/ requirements of mixed use developments.	9
19	Residential use	Commercial uses need to be able to be remodelled on shorter timescales than residential uses.	9
20	Planning	More onerous CPO requirements	8
21	Other development	Tendering and contractual issues	8
22	Finance	Identifying funders who are prepared to undertake mixed use developments	8
23	Scheme management	Difficulty of establishing a suitable owners association to manage the area post development	8
24	Planning	Development contrary to single use zoning in development plan	7
25	Finance	Known to have been a significant issue for a small minority of developers in this area.	6
26	Planning	More onerous EIA requirements	5
27	Other development	Identifying suitable residential uses / landlords	5
28	Finance	Known to have been a significant issue for a number of developers in this area	5
29	Scheme management	Service charge issues	5
30	Planning	More onerous Section 75 agreement negotiations	3

4.19 The issue of community concerns was also discussed in the comments made by respondents (Table 15) and linked with the barrier of council

members not liking mixed use where it was felt that councillors would often pay great heed to community objections. Is it the issue that the concept of “vibrant” communities is not sufficiently shared or just that there is a vocal minority response? Planning authorities will have been working with minority objections to planning applications for many years and this is not a new issue. The proposal that developers should consult widely before submitting applications could help to reduce the level of community concern about mixed use.

4.20 Of the other top ten barriers, two relate to the practical process of dealing with mixed uses, the need to work with colleagues from a variety of departments and the variety of standards and rules that apply. A potential solution to this issue might be to establish a working group with permanent representation from a number of departments that could develop experience in dealing with mixed use planning applications and that could develop learning and give guidance to developers before applications are submitted.

4.21 Three remaining barriers in the “top ten” refer to difficulties for developers in establishing suitable partnerships, development agreements and development vehicles. Clearly, developers have to take responsibility for themselves here but more case studies of successful partnerships and development vehicles would be useful.

Table 15 Analysis of comments made on other barriers to mixed use development and other issues that research should consider

Issue	Barrier	Research should consider
Developer skills and attitudes	6	4
Establishing the market for non-residential uses	5	2
Lack of community acceptance of mixed use	4	1
S75 infrastructure issues	2	1
Management of mixed use development post construction	2	
Other non-planning rules & legislation	2	
Lack of understanding skills of development funding / risk etc issues in local authority	2	1
Practical issues of juxtaposition of uses	2	1
Mixed use in rural areas difficult to achieve	1	4
Barriers concern major development not mixed use	1	
Increasing demand as mixed use is high density	1	
Development funding issues	1	2
Legal position of residential uses	1	1
Planning guidance on mixed use		2
Definition of mixed use		2
Case studies		2

4.22 Table 15 links the other barriers identified by planning authorities and issues which have been identified for further research. The largest group of these comments were about developer skills and attitudes suggesting that

developers were not set up to deal with mixed use and also had concerns about the market for mixed use developments. Planning authorities themselves expressed a need for more training in understanding development economics and the risks that arise to developers. As table 12, detailing the primary uses in the examples suggests, much mixed use experience is actually with house developers. It also appears that this development sector is having greatest difficulty with providing secondary, commercial or community uses.

- 4.23 The second largest group of comments related to the market for mixed use developments and incorporated issues such as the time that it took for commercial units to be occupied and the tendency for high value uses to predominate.

Barriers for Developers in Implementing Mixed Use Projects

- 4.24 In looking at the barriers for developers (table 16), it is immediately obvious that there are gaps in understanding between planning authorities and developers with the barrier of "More onerous section 75 agreement negotiations"² being top of the concerns stated for developers but bottom of the list for planning authorities. This suggests that planning authorities may either see no alternative route to the provision of infrastructure but to ask for section 75 contributions or that they fail to understand issues of development finance.

- 4.25 Other barriers in the top ten for developers are very similar to those for planning authorities, apart from the barrier of developments contrary to single use zoning in the development plan. It is not clear what response planning authorities have made in these cases but presumably, if there are community objections to a mixed use, the planning authority will be required to refuse consent for that mixed use.

Table 16 Significance of barrier for developers

Rank	Type of barrier	Barrier	Significance score for developers
1	Planning	More onerous Section 75 agreement negotiations	9
2	Other development	Provision and funding of infrastructure	9
3	Other development	Need to involve a large number of disciplines	
4	Other development	Difficulties identifying a suitable promoter/developer	6
5	Other development	Difficulties establishing an effective development agreement between the various parties involved in the project	6

² Section 75 contributions are payments in cash or in-kind from property developers generated as a by-product of the planning system operated by a Council

Rank	Type of barrier	Barrier	Significance score for developers
6	Residential use	Concerns about objections to neighbouring commercial uses from residential owners in mixed use developments	6
7	Scheme management	Difficulty of agreeing improvements between a variety of ownerships	5
8	Planning	Overall length of planning application process	4
9	Planning	Development contrary to single use zoning in development plan	3
10	Other development	Difficulties with establishing a suitable development vehicle	3
11	Other development	Identifying suitable trading uses / commercial uses	3
12	Finance	Identifying funders who are prepared to undertake mixed use developments	3
13	Finance	Mixed use developments require more off site infrastructure	3
14	Scheme management	Difficulty of establishing a suitable owners association to manage the area post development	3
15	Planning	More onerous CPO requirements	2
16	Planning	More onerous EIA requirements	2
17	Other development	Tendering and contractual issues	2
18	Other development	Difficulty of combining various environmental health and other protective standards	2
19	Other development	Other professions don't understand issues / rationale / requirements of mixed use developments	2
20	Other development	Other LA departments do not understand rationale/ requirements of mixed use developments.	2
21	Finance	Mixed use projects have lower land values	2
22	Scheme management	Conflicting activity patterns of different users at different times of the day/night	2
23	Planning	Expense of planning application process	1
24	Other development	Difficulties with establishing suitable leases	1
25	Residential use	Commercial uses need to be able to be remodelled on shorter timescales than residential uses.	1
26	Scheme management	Service charge issues	1
27	Planning	Council members don't like mixed use	0
28	Other development	Identifying suitable residential uses / landlords	0
29	Finance	Known to have been a significant issue for a small minority of developers in this area.	0

Rank	Type of barrier	Barrier	Significance score for developers
30	Finance	Known to have been a significant issue for a number of developers in this area	0

Analysis of Examples Provided – Development Issues

4.26 Table 17 shows the length of time that examples took to reach outline consent and then a site start. Those examples where the development period was longest were the new neighbourhoods. (It should be noted that the average numbers of major developments achieving planning consent within 4 months over the period 2004 – 2007 was 47.8%.³)

Table 17 Site development progress

	Number of years from first approach by developer to outline consent	Number of years from first approach by developer to site start
1 year or less	7	1
2 - 3 years	1	7
4 - 5 years		3
5 -10 years	3	4
Over 10 years	0	1
No information provided	8	3
Total	19	19

4.27 Table 18 shows the problems encountered in getting the project developed. The majority of problems encountered were those that related to generic development and site issues and only a third of the problems encountered could be said to be specific to mixed use development. The issues which fell into this category included issues of providing parking for the secondary uses, noise issues where business and residential uses were adjacent, achieving the developer contribution to provide the secondary use and persuading the developer to release land for the secondary use (generally non-residential).

Table 18 Problems encountered in development

Problem type	Number	Per cent
Mixed use specific problem	8	30%
Brownfield site issue	1	4%

³

<http://www.scotland.gov.uk/Resource/Doc/210804/0055721.pdf>

Problem not related to mixed use specifically	18	67%
Total	27	

4.28 Table 19 shows the types of problems that occurred once the project was on the ground. The number of examples where problems were cited to have occurred was less than half of the total number of examples (though a number of the projects were not yet complete). While two of the projects had some problems of poor interactions between uses, one of these was a problem of nuisance behaviour around flats over shops in a predominantly social housing redevelopment. (The other interaction was not specified). The largest problem however concerned finding a market for the secondary uses. In one case cited, this involved a problem in obtaining funding for a secondary use. In the other cases, a slow take up for retail uses was cited.

Table 19 Problems encountered on site

Problems encountered in use	Number of examples
Residential demand	1
Community facility funding	1
Interaction	2
Market	5

Skills for Developing Mixed Use Projects

4.29 Planning authorities tended to rate their skills on master planning and place making above their skills on development principles such as funding, partnership structuring and developing management agreements. (Table 20).

Table 20 Skills associated with mixed use and planning authority's views of the number of their officers possessing such skills

	Relevant officers have only basic skills	Most relevant officers have only basic skills, and staff with more advanced skills have limited capacity	Most relevant officers have only basic skills, but can easily call on colleagues who have more advanced skills	Most relevant officers are experienced in this area and able to promote mixed use development and support developers / consortia	Overall score
Score	1	2	3	4	
Master planning	1	8	6	4	51
Place making	3	7	6	3	47
Partnership structuring	4	8	6	0	38
Development funding principles	3	9	7	0	42
Developing management agreements for site post construction	1	8	7	1	42
Total	12	40	32	8	

4.30 While overall, the major city authorities thought they were better skilled in almost every aspect, the smaller authorities tended to rate their skills in developing management agreements more highly than did their city counterparts. (Table 21) It is possible that this is because such authorities have less practical experience of the difficulties that can arise in establishing management schemes.

Table 21 Skills breakdown by type of planning authority (average score)

Average score	Large city LAs	Mixed urban /rural LAs	Rural LAs	All
Master planning	3.2	2.4	2.6	2.7
Place making	3.2	2.1	2.4	2.5
Partnership structuring	2.4	2.0	2.0	2.1
Development funding principles	2.8	2.1	1.8	2.2
Developing management agreements for the site post construction	2.2	2.6	2.5	2.5
All skills	2.8	2.3	2.3	2.4

4.31 Table 22 shows the numbers of staff that need to be trained and there is clearly a large number of staff needing training with the largest number of authorities saying they needed more than 4 staff trained each.

Table 22 Number of staff who would benefit from further training

	Number of staff requiring training		
	1 or 2	3 or 4	more than 4
Master planning	2	6	11
Place making	2	6	11
Partnership structuring	4	5	9
Development funding principles	4	4	11
Developing management agreements	3	5	8

Initial Conclusions

4.32 There could be a stronger policy lead from planning authorities in:

- Establishing more sites in local plans that could be developed for mixed use.
- Developing better definitions of what mixed uses might be suitable for identified sites (perhaps in greater consultation with local business interests).
- Being more positive and definitive in *requiring* rather than just encouraging mixed use in identified sites.

4.33 There is a major issue of community concern and objections to applications for mixed use developments. While there appears to be a desire from central and local government policy makers for “vibrant” areas, based on the assumption that these are popular with residents, a lot of heed seems to be paid to objections from those who feel the issues of loss of amenity outweighs the benefits of mixed use to them personally. This issue may be ameliorated in a number of ways e.g. through greater initial consultation and incorporating resident concerns in designs at a very early stage of development, well before planning applications are submitted. Issues of control and policing of public spaces also need to be considered. While professionals may see benefit in residential properties overlooking public space as a form of social control, for residents, there may be concern that this puts the onus on them to exercise that control and to report crime and anti-social behaviour. Residents may not wish to take responsibility for doing this. There is no single solution to this issue but it is one that must be discussed publicly to achieve a greater degree of understanding and learning between planning authorities and the public. Some commitment is needed from the planning authority to deal with the management issues arising in mixed use developments and not just to leave residents to deal with such issues themselves.

4.34 There is a clear issue of planning authorities having limited experience of developer issues but planning authorities are aware themselves that they need to develop more understanding of development finances and risks and how to put together partnership structures and management agreements.

4.35 The issue of the range of potentially conflicting regulations and standards that a mixed use development needs to conform with needs to be tackled. A potential solution to this issue might be to establish a working group with permanent representation from a number of departments that could deal with all mixed use planning applications and develop experience, learning and local good practice and give guidance to developers before applications are submitted.

Further work:

- The statistics from this survey should be linked with nationally available statistics on planning performance.
- It would be useful to find benchmarks against which the results above could be compared particularly whether 7.5% / 5% of major developments developed for mixed use seems a high or a low figure
- Need to make further cross checks on barriers for developers and how closely they relate to those cited on their behalf by planning authorities.
- Clarification is needed on the status of masterplans or design frameworks which specify mixed use against single use zonings in the local plan.

5 CASE STUDIES PROFILES

Project 1: Quatermile Edinburgh

5.1 The Quatermile development is a 19 acre mixed-use development on the southern edge of central Edinburgh at the former location of the Edinburgh Royal Infirmary. The site is bounded on the north by Lauriston Place, to the east by Middle Meadow Walk, to the west by Chalmers Street and to the south by the Meadows. The site is within the UNESCO World Heritage Area, is part of a Conservation Area and includes a number of significant listed buildings designed by William Adam, David Bryce and Sidney Mitchell.

Concept: Scale & Uses: site area/floorspace

5.2 The development concept focuses on masterplan-led, mixed-use regeneration project to create a new urban quarter in central Edinburgh. The masterplan sought to re-utilise some of the existing building stock whilst demolishing some of the former hospital buildings to allow the introduction of new, contemporary buildings into the context of historic buildings in an established landscape setting.

5.3 The masterplan has been modified over-time and currently aims to create a new neighbourhood of approx. 1,600 residents with access to onsite retail, leisure and community facilities. In addition the masterplan accommodates hotel accommodation and commercial office development.

5.4 The principal design concept locates residential buildings at the greener edges of the site with the commercial and retail activities concentrated in the centre. The masterplan currently accommodates:

- Over 900 apartments in new and period buildings (18% affordable);
- Over 30,000 sq m of new office accommodation;
- Over 10,000 sq m of retail and leisure space; and
- 7 acres of open landscaping.

Promoter/developer & partners

5.5 Lothian NHS Trust marketed the entire site on the open market. The parameters were set out in a development brief prepared by City of Edinburgh Council. Developers were selected on the basis of cost and quality. Beyond the financial offer for the site a key criteria for the public sector vendor was consideration of the enhanced value of the delivered scheme to maximise a share of returns which would eventually be due to the vendor through Overage Agreements.

5.6 The original consortia selected by the vendor, the local NHS Trust, was Southside Capital – a joint venture between the Bank of Scotland, Kilmartin Property & Taylor Woodrow. The project is now being developed by a joint

venture of Gladedale Capital and the Bank of Scotland. The Gladedale Group includes Gladedale Homes, Bett Homes, Furlong Homes and Furlong City.

Design team

- 5.7 Foster + Partners – Masterplanners and Architects; Richard Murphy Architects; Hurd Rolland Architects; CDA – Architects; EDAW – Landscape Architects.

Planning & development process

- 5.8 The original masterplan was submitted for full detailed planning consent, along with the requisite listed building consents, and secured consent in 2004, following referral to the Scottish Ministers. The proposals were controversial given the size of the development, its high profile within the historic city centre core and the potential affect on the built heritage on the development site. The project therefore received press attention and a high level of scrutiny from heritage groups.
- 5.9 Subsequently a change in the mix of uses on the site required amendment to Planning Consents to decrease hotel and commercial office provision and increase the number of residential units. The changes included;
- reducing office and retail by 9,500m²
 - increasing residential by 385 units
 - reducing hotel accommodation by 20,000m²
 - changes to increase the number of affordable units
- 5.10 These changes were precipitated, in part, by the difficulties in converting the former Main Hospital building to accommodate a 220 bed - 5 star hotel and a lack of interest from hotel operators for that project. The re-use of two smaller buildings in the centre of the campus for a 70 bed boutique hotel became the alternative hotel offer on the site. The changes also involved the demolition of the Listed “Red Home” building by Mitchell which drew further objection from heritage bodies. The justification for the demolition was supported by the masterplanner’s revised spatial concept of creating a focal urban square in the centre of the development and was deemed to offer design benefit.
- 5.11 The affordable housing element is being delivered in partnership with Hillcrest Housing Association. The 18% ratio is below the city-wide policy of 25% but was justified and agreed with the LPA on the basis of open book assessment of increased costs due to abnormal site contamination and remediation costs and the extent of asbestos removal required to enable development.
- 5.12 These amendments secured a revised planning consent and work is progressing broadly east to west across the site with 5 of the 12 development blocks now completed. Construction is scheduled for completion in 2013.

Ownership & management

- 5.13 The entire development site was transferred from NHS ownership to Southside Capital and subsequently Gladedale Capital. Therefore the development site was within single ownership at masterplanning and delivery stage and developed on the basis of a single source of funding.
- 5.14 Whilst developed blocks have been sold to a diverse range of owners (from owner-occupier residents to pension fund investors) all transactions require each owner to sign up to a Deed of Condition resulting in a commitment of owners and occupiers contributing to the funding of Quatermile Estates who manage the external spaces, common internal areas and provide insurance for the entire campus, as well as offering supplementary services for owners (e.g. dry cleaning).

Sources

- 5.15 Interview with Colin MacPherson – Development Director, Gladedale Capital : 25 Feb 2009

Quatermile Promotional Literature

<http://www.qmile.com/index.php?intro=0>
<http://www.edinburgharchitecture.co.uk/Quatermile.htm>
http://www.ads.org.uk/what_we_do/design_review/reports/277_quatermile-mixed-use-development-edinburgh

Project 2: Grandholm Village: Aberdeen

- 5.16 Grandholm Village is a 17 hectare mixed-use development approximately 4km north-west of Aberdeen city centre. It is situated in the valley of the River Don, which forms a green corridor between the urban areas of Danestone in the north and Woodside/Hayton/Tillydrone in the south. The development is on the site of the former Crombie Mills on the north bank of the River Don the Mills were used for the manufacture of woollen cloth and opened in the 1790s and closed 1991. Crombie Mill is a substantial 3 storey high, granite category A listed building that was derelict for many years and has been restored to become the centrepiece of the development. Over a quarter of the site has been retained as open space with new walkways and pathways.

Planning policy context:

- 5.17 The Aberdeenshire City District-Wide Local Plan which was adopted in September 1991 included the site in the designated Lower Don riverside policy area. The riverside area was intended to be maintained as an attractive green valley area. Policy EN11 presumes against development unless related to landscaping, improving recreation land and tourist opportunities, expanding or improving existing authorised uses, developing the nearby science and technology park, restoring derelict sites and

converting existing properties. In the finalised Aberdeen Local Plan the site is allocated as Policy M35 – Mixed Use Area.

Concept: scale & uses: site area/floorspace

5.18 The development concept at Grandholm Village was to create ‘Scotland’s first contemporary urban village’ within the city of Aberdeen, which stems from the conversion of the Category A listed mill building and from the broad mix of uses and house types across the site. The overall concept focused the commercial and businesses parts of the development in a higher density zone around the mill building to bring activity and vitality to the public areas. Proposed uses in the Jenkins and Marr design Statement were: offices, shops, restaurants, a care home, leisure uses, doctors/dental surgery, heritage centre and nursery.

Design team

5.19 Masterplanners: CALA, Architects: Jenkins and Marr

Planning & development process

5.20 Development Briefs: A number of site briefs were prepared for the central mill area; none for the residential areas. CALA acquired the whole site and subsequently sold off two individual plots for office development (to Business Homes) and a care home

5.21 CALA own Grandholm Bridge and agreed with Aberdeen City Council as obliged by their planning permission to close the bridge to the public and make it available solely for the use of Grandholm Village residents and other occupiers. The site has been subject to a number of separate planning applications over a period of six years; some have gone to appeal.

5.22 Outline planning permission was originally obtained in 1997. The overall scheme approved a mix of residential, business, retail and restaurant developments, all with associated infrastructure, landscaping and open space, and all subject to a Section 75 agreement. Subsequently there were various other permissions granted across the whole site.

5.23 In late 1999 there were six applications being considered for planning permission and listed building consent which together represented proposals for a comprehensive development of the Crombie Mills site to form an urban village comprising housing, office and retail development, access roads and car parking, a leisure and nursery building, a restaurant, a museum/heritage facility, landscaping and public open space. Five of those applications were granted planning permission. The table below provides an indication of the number of applications and appeals at Grandholm Village over a six year period.

Table 1.1 Summary of planning applications and appeals

Application	Decision date	Summary	Decision
A1/1609	Dec 2001 August 2002	Erection of six detached family houses	Refused Appeal granted
98/2165	2000	<p>Erection of 107 mainstream flats, 35 sheltered flats, 136 semi-detached, detached and terraced houses, 594 sq m of Class 1 (retail) floorspace and associated road network and landscaping (amended to secure the retention of elm trees and including an exclusion zone)</p> <p>Decision based on: Erection of 119 mainstream flats, 35 sheltered flats and 131 semi-detached and terraced properties (285 properties in total); 594 sq m of Class 1 retail floorspace</p>	<p>See below</p> <p>Granted subject to a binding legal agreement with Aberdeen City Council that included the following: no more than 80 dwelling houses or 1,500 sq m of Class 4 (Business) use may be occupied unless the pedestrian and vehicular bridges over the River Don are refurbished</p> <p>no more than 80 dwelling houses or 1,500 sq m of Class 4 (Business) use may be occupied unless the pedestrian and vehicular bridges over the River Don are refurbished</p> <p>a public parking area for 20 cars is provided for the use of recreational visitors to the areas</p> <p>restrictions on times of deliveries and uplifts in association with the commercial units</p> <p>measures to overcome any adverse effects on the amenity of the residents of the flats above commercial premises</p> <p>an assessment t of oil and groundwater contamination</p>

Application	Decision date	Summary	Decision
			<p>and remediation strategy</p> <p>Class 1 (retail) shall not exceed 757.5 sq m</p> <p>approved layout detailing the service area arrangements for the commercial units located on the ground floor of the Mill flats</p>
A1/1610	December 2001	Outline planning permission to erect 41 flats within a 4 storey block	Refused contrary to the Director's recommendation and subsequently appealed. The subsequent appeal was dismissed due to concern that the 4 storey flats would have an unacceptable relationship with the setting of the listed mill building.
A1/1611	December 2001	Outline planning application to erect a 3 storey block of flats of 30/31 units with a leisure/crèche facility on the ground floor	Appealed.
98/2164	June 2001	Outline planning application for the erection of leisure and nursery buildings	Granted on condition that specified maximum floor areas of 1549 sq m for Class 2 leisure and 253 sq m for Class 10 nursery use respectively.
Application A1/0986)	August 2001	Amended proposal (of above application) that included replacing the leisure and nursery facility with 30 flats. The proposals to reduce the leisure space stemmed from a lack of demand by an operator to take up a facility of the approved size – that it would be too small for a leisure operator to run successfully.	Refused.
	August 2002	Appeal proposal to restore the nursery element. Substitution of 30 flats for the leisure facility.	Refused on the grounds that the loss of the leisure facilities would adversely alter the nature of the mixed use development eroding the urban village/central commercial concept, affecting the setting of the listed building and encourage further residential uses in place of commercial uses.

Application	Decision date	Summary	Decision
Application A5/0747	Recommended for approval July 2005	Erection of 18 flats (reduced from the previous application of 30) and 648 sq m of unspecified retail/commercial floorspace on the ground floor. The lack of interest from and attracting leisure users together with strong interest in a use for the restaurant in the mill building and the various retail outlets led to the application proposing a mix of retail/commercial and residential use. It was considered that since the Reporter's decision in 2002 circumstances had changed and progress made both physically on the ground and in the market place which would suggest the originally envisaged urban village concept would be delivered even without the application site being devoted to a leisure use.	Granted subject to conditions that included: Parking provided on the basis that it would be shared between the residential and commercial uses that any noise generated by the use of the premises is inaudible within the flatted properties on the upper floors occupational use of the premises shall be restricted to 0800-2000 daily
A1/1612	December 2001	Planning application to erect 6 town houses (in place of 3 large detached houses)	Refused and appealed.
	August 2002		Granted on appeal
A1/0987	August 2001	79 detached houses and 43 townhouses. Incorporated the above application area.	Granted
A4/0897	Recommended for approved in July 2004.	Erection of 24 mainstream flats replaced the previous planning permission for 34 sheltered flats. This was due to McCarthy & Stone confirming that the site was not of interest as it fails to meet certain important criteria including insufficiently easy access to the town centre and unsuitable gradients.	
A4/1248	Recommended for approved in September 2004.	Erection of 31 flats	

Sources

5.24 Interviews with Aberdeen City Council, CALA and Residents Association during March 2009.

Jenkins and Marr: Design Statement
FG Burnett: CALA Grandholm Proprietors & Residents Buyers Pack
Aberdeen City Council Planning Committee Reports
Scottish Executive Planning Appeal Letters

CALA Promotional Literature

<http://www.cala.co.uk/group/news/newsitem.aspx?id=2>
<http://www.cala.co.uk/group/news/newsitem.aspx?id=628>
<http://www.gvra.org>

Project 3: Stenhousemuir Town Centre: Falkirk District

Location & place context

5.25 The Stenhousemuir Town Centre redevelopment is a 6.48 hectare (16.02 acres) mixed use development located in the centre of the town. The site is bounded on the north by the B905, and includes part of King Street and Main Street, the main shopping streets in the town centre, and Crownest Park which forms the southern part of the site.

5.26 Land assembly for the project has involved the acquisition of over 40 properties including the demolition of some town centre buildings. This has included 1960s housing and shops on King Street, the old library, community centre and health centre.

Concept: scale & uses: site area/floorspace

5.27 The regeneration plan for Stenhousemuir town centre is part of the wider 'My Future's in Falkirk' initiative launched in December 2002 by a public/private partnership of the then Scottish Enterprise Forth Valley, BP, and Falkirk Council with support from the European Regional Development Fund and INEOS. The 10 year (2002-2012) £23m economic development initiative (originally called the Falkirk Action Plan) and partnership aims to transform the Falkirk area's economy by attracting investment, creating jobs and growing local companies. The Stenhousemuir town centre redevelopment is the first of four town centre regeneration programmes included in the initiative.

5.28 The majority of the town centre development has been completed and occupied. The site, once complete will include :

- A 40,000sq ft food store occupied by ASDA with 360 parking spaces
- More than 34,000 sq ft of retail space in 3 single story blocks
- A new Larbert Library - 700 sq ft
- A new access road off the B905 and one-way bus link
- A new football pitch and changing rooms

- A new Tryst Community Centre with dedicated car parking facilities
- A new Medical Centre for NHS Forth Valley with dedicated car parking facilities: 2,500 sq m; 2 storey building with 4 GP practices and a number of health board activities; upper floor offices and a base for nursing staff.
- Landscaped civic spaces including play park and reshaped lido public realm within the adjoining Crownest Park
- Town square and other public realm improvements

5.29 Currently under construction and due for completion later in 2009 are:

- Community Trust building
- King Street retail block (12,000 sq ft) to service the traditional side of the town centre

5.30 A number of complications with NHS Forth Valley led to a delay in signing the agreement to develop the Tryst Community Centre and Health Centre. This has now been resolved and the medical centre, the final component of the masterplan is due to be completed in April 2010.

5.31 In early 2008 the first local shops opened in the first of the new retail blocks; this included pharmacy, butchers, newsagents, two banks and betting office. The new Larbert Library opened in April, followed by ASDA in the summer of 2008.

Promoter/developer & partners

5.32 Falkirk Council recognised that the level of capital expenditure required to improve Stenhousemuir Town Centre could not be met by the Council alone and would therefore require substantial private sector funding. To deliver and develop the proposal a management group were set up comprising appropriate staff from across the Council eventually including representation from the preferred developer.

5.33 A marketing brief was prepared and issued in 2001 which attracted interest UK-wide. Following expressions of interest, the second stage brief was issued to eight prospective developers giving additional information on the requirements of the Council including design, legal and financial guidance. This shortlist of developer teams was invited to prepare a detailed masterplan for the town centre, together with a financial terms, partnership proposals and delivery mechanisms.

5.34 A corporate assessment team was established by Falkirk Council which included representatives from community, finance, law & administration, development and housing services of the Council to assess the proposals. Following Stage 3 submission the developer was selected based on criteria including financial resources and terms, appreciation of the brief, partnership proposals and delivery mechanisms, design and planning merit. Financial deliverability was a key component.

- 5.35 As a result of the competitive tender Macdonald Estates plc was approved as Falkirk Council's preferred developer for the scheme in September 2002. In their submission Macdonald Estates plc originally proposed a joint venture agreement between themselves and the Council. Following 9 months of dialogue their revised proposal was progressed based upon capital receipt to the Council from the sale of the food store and the use of development agreements.
- 5.36 Two development agreements were set up between the Council and Macdonald Estates plc; the first related to the main town centre and the second to the development of the health centre. The town centre agreement confirmed the transfer of housing land to Macdonald Estates plc in exchange for a new library, £200,000 sinking fund, new town square and improvements to Crownest Park and was subject to conditions including planning approval, site/property acquisitions and food store operator commitment. The health centre agreement confirmed the transfer of the existing Tryst community hall to Macdonald Estates plc in exchange for a new Tryst community hall.
- 5.37 The Council required certainty of delivery before vacating and demolishing existing public buildings. This was difficult but was agreed as part of the development agreements.
- 5.38 The total development value is anticipated to be £15m secured by the two formal development agreements between the Council and MacDonald Estates plc, ensuring best market value in terms of transfer of Council assets.
- MacDonald Estates Design Team:
 - Masterplanners and Landscape Architects: Fouin and Bell Architects
 - Planning Consultants: James Barr Limited
 - Architects: Supermarket, 3 retail blocks
 - Library, Health Centre and Tryst Community Centre: Ian Burke Associates

Planning & development process

- 5.39 The comprehensive redevelopment of Stenhousemuir shopping centre had been clearly identified and supported by Local Plan policy. The town centre was identified as a priority for comprehensive redevelopment in the Falkirk Council Local Plan Finalised Draft (deposit version) April 2007. The earlier Larbert and Stenhousemuir Local Plan adopted in 1998 gave priority to the improved retailing facilities in Stenhousemuir Shopping Centre.
- 5.40 The Central 2000 Structure Plan identified a growing local catchment population. To service anticipated consumer demand the development of a modern food shopping facility, together with an improved environment was considered essential for the future vitality of Stenhousemuir town centre. A marketing exercise was undertaken to attract private sector interest in the regeneration of the town centre.

- 5.41 The marketing brief for the site prepared by Falkirk Council included a requirement for a major food store in order to bring people back into the town centre. Another key requirement was to open up the town centre to the main route – the B905. This necessitated the removal of the King Street 1960s block of commercial units with residential above and another retail unit. (site of Block A)
- 5.42 As well as consultation across the Council, affected parties such as tenants, local businesses and private households were consulted on the proposals. As part of the consultation, staff were available at a town centre drop-in centre and quarterly newsletters were distributed
- 5.43 The outline application was approved in March 2005. The development masterplan was prepared by Fouin and Bell Architects and this formed part of the detailed planning application submitted by MacDonald Estates plc to Falkirk Council in April 2006.
- 5.44 The masterplan was severely criticised in the A+DS Design Review Report of May 2006, where the masterplan was considered unacceptable as presented, with a recommendation that it did not proceed. Some of the reasons given were:
- Lack of convincing masterplanning principles: no vision for a long term cohesive town centre; driven by infrastructure and servicing provision
 - Failure to stitch new development into the existing urban fabric
 - Formulaic, anonymous out of town retail model adopted; the civic heart should be a high quality public space, not a car park
 - Adaptability: limited ability over time to adapt the layout that can incorporate or convert to other uses such as residential.
- 5.45 The report recommended that a contextual analysis and design statement should be prepared in advance of a masterplan that sets out a coherent vision for the wider town centre. A&DS however were brought in very late in the development process. Council planners reviewed their comments but considered that the development should still go ahead.
- 5.46 Planning permission for the proposed development was granted in July 2006 for the demolition of existing retail, commercial, community and residential units and the development as described above. The detailed planning consent reflected ASDA's design reconfigurations to the original outline planning consent and incorporated feedback from public consultations.
- 5.47 Work on site was originally planned to start in spring 2004, but this was delayed for approximately a year due to additional time required for discussion and negotiation with the developers. The original proposals were to include a hotel and restaurant and a leisure complex but this has not come to fruition.
- 5.48 ASDA's firm commitment to Stenhousemuir allowed progress on the acquisition of all property interests. One compulsory purchase order was

required (for the demolition of the King Street retail/residential block and a privately owned single storey retail block). The Local Plan allocation was crucial in securing this and the CPO was approved by the Policy and Resources Committee of Falkirk Council in 2003. In addition to the CPO the complicated site assembly exercise involved acquiring 42 sites and buildings were successfully achieved through negotiation.

- 5.49 *Phasing/demolitions/construction*: The importance of maintaining services at both the existing community centre and health clinic throughout the development period was important and a key concern to the community. Only once the new community hall is completed will the former hall be demolished. The public realm project has been divided into eight working areas to minimize disturbance during construction works.

Sources

- 5.50 Interviews with Falkirk Council officers during March 2009.

Stenhousemuir Town Centre: Marketing Brief
Falkirk Council Policy & Resources Committee Reports
<http://www.falkirkonline.net/Community/Larbert/Town%20Centre%20Proposals.aspx>
<http://www.myfuturesinfalkirk.co.uk/Business%20Panel/Pdfs/issue4.pdf>

Project 4: Clydebank Re-Built: Queens Quay

Location & Place Context

- 5.51 Queens Quay is a mixed use waterfront development site which has been promoted for regeneration by Clydebank re-built Urban Regeneration Company. The site is the former John Brown's shipyard (where the Queen Mary and QE2 were constructed) and is located around the Queen's Dock fit out basin, a man-made inlet into the north bank of the River Clyde located approximately 10 miles west of central Glasgow. The site is bounded by Dumbarton Road (separating the site from Clydebank's Town Centre) to the north, the Rothesay Dock to the east and an expanse of vacant, former industrial sites to the west which are earmarked for redevelopment in future phases of this waterfront regeneration.

Concept: scale & uses: site area/floorspace

- 5.52 Clydebank re-built URC has been working toward 'design-led' regeneration in Clydebank, The Clydebank re-built URC *Design Guidelines*, prepared by Page + Park Architects in 2003, established overarching principles for development in 9 key locations, 3 of which focused on the area around the Queen's Dock. The concept outlined three interlinked areas of investment including;

- Zone 2 - Creating linkages across Dumbarton Road to link the existing town centre to the new waterfront development

- Zone 3 - Developing to the west of Queens Quay a civic quarter adjacent to the existing Town Hall with a new residential quarter on the waterfront adjacent to the landmark Titan Crane
- Zone 4 - Delivering an urban structured retail, business, leisure and education 16 acre area to the east of Queens Quay.

5.53 Whilst considerable work has been undertaken to clear the former shipyard site and remediate the contamination across all of these Zones initial development has focussed in Zone 4 (now referred to as Queen's Quay Enterprise and Learning District). In addition the Titan Crane has been refurbished to create a visitor attraction and viewing platform overlooking the entire area.

5.54 The Queens Quay Enterprise and Learning District project, on a 16 acre site, has delivered to date;

- £28m new 3 storey Clydebank College building on a 6 acre site catering for 10,000 students
- 2,250m² of office space at the Titan Enterprise Centre (including the URC's current offices and Business Gateway) and catering for business start ups
- 2,500m² of office space at Pavilion 2 (currently nearing completion) adjacent to the Titan Enterprise Centre
- approximately 40 affordable residential units at Cart Street for Clydebank Housing Association (on site)
- £3.5m restoration and refurbishment of the Titan Crane to create a landmark visitor destination
- Public realm and road infrastructure including riverside walkway
- Further projects on adjacent sites include; 10,000m² of office space in the Enterprise and Learning District, 1600 new residential units, including 15% affordable units and 200m² of commercial space, new £12m Leisure facility.

Promoter/developer & partners

5.55 Clydebank Re-built is an Urban Regeneration Company Limited by Guarantee and is also a registered charity. Its two founders are West Dunbartonshire Council and Scottish Enterprise Dunbartonshire. The URC have set up Clydebank Property Company to undertake some of the large commercial property development in the Town. This is wholly owned by Clydebank Re-built and has the same objective as its parent company - to regenerate Clydebank for the benefit of all its residents, workers and businesses.

5.56 The URC and its Property Company have worked either as sole promoters of schemes, in joint ventures with development partners or providing funding for project enabling through advance works to prepare sites for development by the private sector. The URC has secured funding from a range of public sources including the EU, to supplement funding from central and local governments and Scottish Enterprise.

Design team

5.57 Numerous designers have been involved at Queen's Quay including; Page and Park (architects and masterplanners), Ian White Associates (landscape architects), Reiach and Hall, Elder and Cannon, and Jenkins and Marr.

Planning & development process

5.58 Prior to Clydebank re-built URC being incorporated a masterplan was prepared by Llewelyn Davies. At this time proposals for the Queen's Quay location were being brought forward for a retail park.

5.59 At the time of the establishment of Clydebank re-built URC the Local Plan was being revised and the land use designation for the Queen's Quay waterfront was amended to be outwith the Town Centre thereby reducing the retail aspect of any development, encouraging mixed use development rather than a single retail use and aiming to refocus the retail offer within the existing town centre. Clydebank re-built then instigated a masterplanning process which resulted in the Clydebank re-built *Design Guidelines* which were approved and adopted as Supplementary Planning Guidance. At that point in time the site was entirely still in private ownership.

5.60 Thereafter projects have secured relevant consents, and been brought forward and funded on a project by project basis.

Ownership & management

5.61 Clydebank Property Group acquired approx. 20% of the Queens Quay site when it was offered as planning gain as part of the redevelopment of the former Clydebank College site. The balance of the site remains in private ownership and negotiations have been ongoing between Clydebank re-built, potential joint venture developers and the group of current landowners (Clydeside Regeneration Ltd.)

5.62 Those areas which have been developed by the Clydebank Property Group have been covered by a Common Management Agreement which is legally binding and ensures continuity of management and maintenance.

Sources

5.63 Interview with Eleanor McAllister – Managing Director Clydebank re-built 26 Feb 2009

Clydebank Re-built Design Guidelines

<http://www.clydebankrebuilt.co.uk/>

<http://www.clydewaterfront.com/clydebank.aspx>

6 EMERGING RECOMMENDATIONS AND SUGGESTIONS (EDINBURGH & ABERDEEN WORKSHOPS COMBINED RESULTS)

- 've							+ 've				
Edinburgh			Aberdeen				Edinburgh			Aberdeen	
Public	Private	Other		Totals		Totals	Public	Private	Other		
2	1		2	5	Standard definition & collate accurate statistics	9	6	1	1	1	
1				1	Advocacy: web site learning network	4	3	1			
				0	Skills development: training & events *	15	11	4			
				0	Development plans: definition; location; market	17	6	5	2	4	
				0	Masterplan: market & place issues 'area planning brief'	23	10	5	4	4	
	1		1	2	A+DS & Improvement Service roles	2	1	1			
2				2	'Team of experts': advise LPA: structuring joint ventures	11	6	1		4	
				0	New models up front infrastructure funding: TIF & CIL	28	8	13	2	5	
1				1	Different delivery models: URC & company/ open book	19	7	8	2	2	
			3	3	Amend business rates liability for vacant mixed use	3		3			
1			2	3	Educate public sector partners: SNH/SEPA	9	3	3	2	1	
				0	Promote best practice in apportioning service charges *	6	4	1	1		
				0	Development management scheme **	1				1	
				0	Strategic market view **	1				1	
			1	1	Community concerns **						
7	2	0	9	18	Totals	148	65	46	14	23	

Blue: Public Sector
Green: Private sector
Red: Other

* Edinburgh only
** Aberdeen only

Rank: + 've

1	New models up front infrastructure funding: TIF & CIL	28
2	Masterplan: market & place issues 'area planning brief'	23
3	Different Delivery Models: URC & company/open book	19
4	Development Plans: definition; location; market	17
5	Skills development: Training & events	15
6	'Team of Experts': advise LPA: structuring joint ventures	11
7=	Standard definition & collate accurate statistics	9
7=	Educate public sector partners: SNH/SEPA	9
9	Promote best practice in apportioning service charges	6
10	Advocacy: web site learning network	4
11	Amend business rates liability for vacant mixed use	3
12	A+DS & Improvement Service roles	2
13	Development management scheme	1
14	Strategic market view	1

Rank: - 've

1	Standard definition & collate accurate statistics	5
2	Amend business rates liability for vacant mixed use	3
3	Educate public sector partners: SNH/SEPA	3
4	A+DS & Improvement Service roles	2
5	'Team of experts': advise LPA: structuring joint ventures	2
6	Advocacy: web site learning network	1
7	Community concerns	1

7 RESEARCH TEAM

Consultant Team

Douglas Wheeler Associates

Douglas Wheeler
Gillian Macfarlane

Anne Flint Associates

Anne Flint

Austin-Smith: Lord

Graham Ross

Edinburgh College of Art (School of Architecture-ScotMark)

Leslie Forsyth
Derek Fraser

Advisory Group

Jonathan Waite: Regeneration and Planning Research: Communities
Analytical Services
Stephen Hall: Planning Process & Performance: Directorate for the Built
Environment
Shona Harper: Property Advice: Change and Corporate Services
Susan Brown: Regeneration Policy: Housing & Regeneration Directorate
Alex Hagon: Housing Markets and Planning Economics: Communities
Analytical Services

ISSN 0950 2254
ISBN 978-0-7559-7608-9
(Web only publication)

www.scotland.gov.uk/socialresearch

RR Donnelley B61657 07-09

